

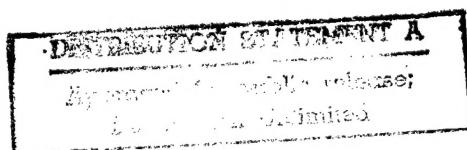
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Southeast Asia Report



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17 June 1985

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AUSTRALIA

POLL SHOWS LABOR PARTY LAGGING BEHIND OPPOSITION

HK220310 Hong Kong AFP in English 0245 GMT 22 May 85

[Text] Canberra, 22 May (AFP)--Prime Minister Bob Hawke's Australian Labor Party (ALP) is lagging behind the Liberal-National Party opposition for the second time since the elections in December last year, according to a public opinion poll published today.

The Morgan Gallup Poll showed support for the ALP currently standing at 43 percent compared with 49 percent for the coalition parties and 7 percent for the Australian Democrats, a centre party with representation in the senate.

Political observers attributed the fall in the government's popularity to its identification with trade union boycotts of Queensland, continuing debate about its proposals to reform taxation and the collapse of the Australian dollar on international currency markets.

The personal standing of Mr Hawke remained at 52 percent, well below the 65 percent recorded earlier this year.

The proportion of people disapproving of his performance as prime minister rose to 37 percent.

The approval rating for opposition leader Andrew Peacock moved up from 46 to 48 percent against a disapproval rating of 39 percent.

The polls indicated that the government would have been defeated if an election had been held early this month, analysts said.

CSO: 4200/979

AUSTRALIA

FOREIGN OFFICE REASSURES ASEAN ON CAMBODIA

BK240942 Melbourne Overseas Service in English 0830 GMT 24 May 85

[Text] The Foreign Affairs Department has reassured the Association of Southeast Asian Nations, ASEAN, that Australian policy on recognition of the Kampuchean Government has not changed. The department's action follows Thai concern at the implications of the current visit to Canberra by two Kampuchean Government officials.

A Thai Government spokesman in Bangkok earlier had been quoted as saying ASEAN officials feared such contacts could gradually lead to Australia recognizing the Vietnamese-backed government in Phnom Penh. He said ASEAN would protest against the decision to allow the visit.

Radio Australia's Canberra correspondent Wally [name indistinct] says the two Kampucheans are visiting Australia unofficially as the private guests of the nongovernmental organization, World Vision. He said an Australian Government official had been present at some of their discussions which centered on nongovernment humanitarian aid to Kampuchea. However, the Foreign Affairs spokesman had stressed that this did not imply Australian recognition of the Heng Samrin government. The official said the six-member states of ASEAN had all been given prior notice of the Kampuchean visit.

Our correspondent says Canberra reaffirmed recently that it had no intention of recognizing the Heng Samrin government. It sought a negotiated settlement of the conflict in Kampuchea and the right of the people to express their self-determination.

CSO: 4200/979

AUSTRALIA

REPORTAGE ON DARWIN RADIO LINK WITH FRETELIN REBELS

Journalists, Politicians Present

BK260859 Melbourne Overseas Service in English 0830 GMT 26 May 85

[Text] Secret radio communications have been reestablished between a transmitter operating near Darwin in northern Australia and Fretelin rebel forces in the Indonesian province of East Timor. Radio Australia's Darwin office says that journalists and politicians looked on today as the illegal half hour transmission went to air.

A former Labor Party member of parliament, Mr Ken Fry, took part in the broadcasting offering his support for the Fretelin cause. Our Darwin office says that in their messages to the Darwin radio, the Fretelin rebels claim Indonesian armed forces were continually committing atrocities on the former Portuguese colony which was incorporated by Indonesia in 1976.

Earlier today, a program broadcast by the Australian Broadcasting Corporation contained lengthy sections of messages received by the same transmitter earlier this year. In those broadcasts a Fretelin leader identified as (Mao Hunu) claimed that Indonesian troops had tortured suspected Fretelin rebels and summarily executed some rebels.

After hearing the broadcasts a Labor senator, Dr Gordon McIntosh, said in Adelaide that he would call on the Labor government to ensure that the radio transmitter continued to operate without harassment. Senator McIntosh, who was a member of an Australian parliamentary delegation which visited East Timor in 1983, also said he hoped the United Nations secretary general, Mr Perez de Cuellar, would make use of the transmitter to contact all sides in the East Timor conflict.

Further Details

HK271128 Hong Kong AFP in English 0936 GMT 27 May 85

[Text] Darwin, Australia, 27 May (AFP)--Australian supporters of the East Timor independence movement last night announced that they had reopened a radio link with Fretelin guerrillas in the former Portuguese colony occupied in 1975 by Indonesia.

The Australian sympathisers, including members of the ruling Australian Labor Party (ALP), invited media representatives to witness a radio transmission yesterday from a secret location in the bush about 100 kilometers south of Darwin.

Former member of the federal Parliament Ken Fry relayed a message to Fretelin from Shirley Shackleton, widow of one of the five Australian journalists shot dead by Indonesian troops at the time of the occupation of East Timor.

During the 40-minute radio link with member of the Fretelin Central Committee Mauhunu Karatainu, the guerrilla leader played a tape recording of an alleged air raid on an East Timor village 3 weeks ago.

Contact by radio between Australian sympathisers and Fretelin forces was lost in December 1978 when the guerrillas' radio was surrendered to the Indonesians by their former Information Minister Alarico Fernandes.

A spokesman for the Australian organisers of the link said that a new radio set had been smuggled into East Timor through the Indonesian blockade around the territory.

Elaborate security precautions were taken to avoid detection by Australian police.

The former Portuguese colony occupies the eastern half of the island of Timor about 500 kilometers to the north of Australia.

A spokesman for the Australian Coalition for East Timor (ACET) said the Australian sympathisers had been making two-way radio contact with Fretelin at a set time each week since 6 January with a transmitter in the bush south of Darwin.

A spokesman for the Indonesian Embassy in Canberra, Isslamet Poernomo, said the radio contact was regrettable in view of the improving relations between Australia and Indonesia.

Mr Poernomo called on the Australian Government to close down the radio station. But he said he did not believe the link had been established as long ago as last January.

CSO: 4200/979

AUSTRALIA

EDITORIAL EVALUATES HU VISIT

Melbourne THE AGE in English 18 Apr 85 p 13

[Editorial--"China: Profit and Potential"]

[Text]

THE visit to Australia of the leader of China's Communist Party, Mr Hu Yaobang, has worked out as well as, perhaps better than, anyone could reasonably have expected. It represents another milestone in the progress towards making the Sino-Australian relationship as important to Australia as those it now enjoys with the United States and Japan, the other dominant powers of the Asia-Pacific region. Obviously, the potential is at this moment considerably greater than the immediate profit, although there should be some of that as well. The most populous nation on Earth is still in the early phases of a difficult and uncertain journey towards economic and technological modernisation — a journey in which it is hampered by the inertia of its vast bureaucracy and by ideological impediments. Even if Mr Hu and his fellow modernisers are allowed to push ahead with their plans, his invitation to Australia to climb on board the Peking bandwagon does not include a reserved seat: other nations with goods and expertise to flog are clamoring to get on board. Australia will get as much of the action as it is brave and imaginative enough to compete for in a crowded market.

In the meantime, we would be wise to keep our chopsticks in the drawer until the Peking ducklings are at least hatched. The Hu-Hawke discussions were about immense possibilities in trade and investment, not hard and fast contracts. As yet, there is no final agreement on the proposed \$4000 million Channar iron-ore project in the Pilbara, nor on the plan to reopen the Kwinana steel plant. The other ideas canvassed in Canberra this week — ranging from Chinese investment in Australia's alumina and copper industries, to large-scale Chinese purchases of coal, to Australian investment in the Chinese iron and steel industry — are for the

moment just that: ideas. If and when they come to the point of negotiation, Peking can be relied upon to make the bargaining tough. Mr Hu may like Mr Hawke, but the little man behind the cloud of cigarette smoke is not a sentimentalist.

That said, Australia does enjoy certain advantages, not the least of them being the present Chinese leadership's goodwill, as demonstrated by Mr Hu's decision to come to Canberra and by the flattering things he said publicly while he was there. That goodwill — and the \$1200 million annual trading relationship that has already been established — are the pay-off for Gough Whitlam's pioneering diplomatic efforts and their continuation by Malcolm Fraser and Bob Hawke. Another advantage is that we happen to have ample mineral resources of the sort the Chinese will need — iron ore, coal, alumina, copper — if Mr Hu's ambitious vision of quadrupling his country's gross domestic product in the next 15 years and equalising the standard of living of the Western industrial nations in the next 65 is to be realised. We also have relevant expertise that Peking may be ready to pay for in such areas as long-distance transport (an Australian team led by Sir Peter Abeles is to go to China on an advisory mission) and the development of the Chinese wool industry.

On a more subtle level, Australia may have another attraction to the Chinese, and it lies in the fact that we are not among the world's economic (or military) giants. With their long memory of foreign interference and exploitation, Peking's leaders must inevitably be wary of buying a brave new world for their millions at the price of American and Japanese economic domination. As a partner in trade, investment and development, Australia holds no such threat. Perhaps Mr Hu had just this in mind when he spoke on Tuesday of Sino-Australian economic relations providing a "model for cooperation between countries at different levels of development and with different social systems". Yesterday, the Chinese leader talked of the possibility of trade between the two nations quadrupling by the end of the century. It is a glittering prospect, but Australian industry leaders should be under no illusions: if they want to transform the prospect into reality, they will have to work for it.

CSO: 4200/982

AUSTRALIA

QUEENSLAND IN POWER STRUGGLE WITH UNIONS, CANBERRA

Sydney THE AUSTRALIAN in English 18 Apr 85 p 1

[Text]

QUEENSLANDERS could face a communications blackout, as well as a transport blockade as the State's power struggle between the Bjelke-Petersen Government and unions intensifies.

The State's shipping came to a halt yesterday in retaliation for the holding in custody of a Seamen's Union picketer, the first to be jailed in the dispute.

Australian Telecommunications Employees Association members will meet on Tuesday to consider cutting television, radio and computer links between Queensland and all other States. Telephone trunk lines, except emergency lines, may also be cut.

The move would stop all direct television broadcasts from southern States.

The cutting of computer links would cause havoc for most national companies, but union sources said it was likely that this action would be restricted to companies which appear on the ACTU's hit-list.

However, in a compromise which may lead to a resolution of the crisis, the Prime Minister, Mr Hawke, said last night the Federal Government would accept a settlement of the dispute without the controversial laws being repealed, if they remained inactive on the statute books.

Mr Hawke's proposal came after a day of heated attack by the Federal Government on the Queensland Government, mainly over the state of the Queensland economy.

Mr Hawke attacked the Queensland Premier, Sir Joh

Bjelke-Petersen, for using the industrial dispute as a smoke-screen to cover economic mismanagement of the State, backing his claim with a range of economic indicators.

Queensland's 14 Federal Government members and senators, who met in Canberra yesterday, will today ask the Caucus Industrial Relations and Employment Committee to recommend that cabinet acts to give effect to international conventions and covenants they claim are breached by the Queensland industrial legislation.

Meanwhile, several Queensland Federal Government senators are seeking an "unprecedented" meeting with the Governor of Queensland, Sir James Ramsey, to outline their concern about the State's new anti-strike laws.

They are Senator George Georges, Senator Margaret Reynolds, Senator Mal Colston, Senator John Black, and Senator Gerry Jones.

In a letter to the Governor they say they want to bring to his attention their grave concern about a number of issues affecting the Queensland people, in particular the recent industrial legislation.

In Brisbane yesterday 96 demonstrators, including five clergy and the national president and secretary of the Electrical Trades Union, Mr John Devereaux and Mr Ray Perram, were arrested in the biggest protest to date against the Government's new anti-union laws.

Police moved on more than 400 people picketing the inner-suburban New Farm depot of the South East Queensland Electricity Board (SEQEB) soon after 7am. There were 13 charges of resisting arrest and assaulting police.

About 40 members of the group known as Concerned Christians, carrying a large wooden cross, staged a passive protest some distance from the union pickets and sang hymns as they were arrested.

A Brisbane seaman was remanded in custody for three weeks after he refused to sign a bail document in the Brisbane Watch House.

Robert Michael Carnegie, 25, was to be bailed on the condition that he refrain from committing offences under the new Electricity (continuity of supply) Act.

The ACTU industrial officer organising union action against the sackings of 1000 SEQEB workers and the subsequent Government industrial legislation, Mr Ian Court, said any member of the Queensland Confederation of Industry could now expect to be targeted for industrial action.

Mr Court said the confederation had taken a consistent pro-government and anti-union position both before and during the present dispute.

He said a list of 52 Queensland businesses published yesterday was only the beginning of a union hit-list being compiled.

However, some effects of the strike began to become apparent yesterday.

Australia Post said delays to all types of mail could be expected as a result of the blockade and its express courier and priority paid services to interstate destinations would be placed on a "no guarantee" basis from today.

Ansett and TAA announced no flights would be scheduled to or from Queensland on Friday, resulting in about 5500 travellers having to make alternative arrangements today or on Saturday.

Interstate train services will not run during the blockade.

AUSTRALIA

HAWKE SEEN POWERLESS IN QUEENSLAND CONTEST

Sydney THE AUSTRALIAN in English 19 Apr 85 p 13

[Article by Paul Kelly]

[Text]

THE historic confrontation between Premier Joh and the ACTU has left Bob Hawke without power to influence events yet a victim of the consequences.

Mr Hawke's far more spirited parliamentary performance this week was needed because his government has been impaled on the political sword of Sir Joh's anti-union laws and is being twisted in the wind by both the ACTU and the Queensland Government.

The Prime Minister has tried to pave the way for some settlement and one reason he has been active is precisely because the Federal Government stands to lose from this clash.

The political genius of Sir Joh Bjelke-Petersen is that he has exposed the dark side of the ALP-ACTU Accord. Mr Hawke loves to present the Accord as an example of the ACTU helping his government and regularly declares that the Accord is responsible for halving Australia's inflation rate and boosting jobs.

Yet the flipside of the Accord is that the Government must assist the ACTU when it fights a battle deemed as decisive for its union power and principles.

This is the Accord's political underbelly which Mr Hawke has pretty successfully disguised so far and which Sir Joh has effectively exposed.

The Queensland laws go to the core of the union movement's position before the law as well as its moral authority. Mr Hawke avoided any public

stand on the Premier's anti-union laws because he wanted no brawl on an issue where Sir Joh's populist image would prevail.

But the Government's hand was forced by the ACTU. Once the ACTU, from its Melbourne headquarters, declared a guerrilla war against Queensland and prepared a "hit" list of 50 companies associated with Queensland, the Federal Government had to show its colours. Public neutrality became impossible.

Mr Hawke and his Industrial Relations Minister, Ralph Willis, both of whom had been involved in private talks on this matter, were sapped into the public confrontation.

Because of their links with the ACTU they cannot criticise the industrial campaign; to do so would damage those links which they need to win ACTU concessions on taxes and wages.

The furthest Mr Willis would go was to tell Parliament that the Federal Government did not condone the ACTU industrial action and point out that he had said this to the ACTU itself.

The danger for Mr Hawke in the present situation is his political impotence, which is a condition that no Prime Minister can long tolerate. Politics is about power and the leader who lacks the capacity to wield power will soon find his position undermined.

In power terms Mr Hawke is stranded here since this dispute is between a State Government and the ACTU. It is about State laws not federal

laws; it is about unions failing under State jurisdiction not federal jurisdiction; it is about the condition of Queensland which the ACTU has declared to be worth an industrial campaign of national proportions.

Yet in political terms Mr Hawke is involved right up to his neck because it is his government which is so identified with the ACTU and proclaims its special relationship with the ACTU.

Indeed it is Mr Hawke's close ally, aspiring ACTU president Simon Crean, who has been a central figure in organising the vigorous union response to Sir Joh's new laws. Mr Crean needs a lot of votes at the ACTU Congress next September and cannot afford to be other than an outright champion of trade union rights in the teeth of this challenge.

In short, Mr Hawke's political interests are at stake, yet his power to influence the issue is very small. It is a politician's nightmare.

Given his difficult situation, Mr Hawke's performance this week has been impressive, with signs of his old fire, enthusiasm and ability to rally the Government's side. His performance at Question Time on Wednesday was his best this year, as a number of Opposition members noted.

The Prime Minister followed up his telex to Sir Joh of last weekend asking for talks, with an indication that the Federal Government would regard as an adequate solution possible reinstatement of the 900 sacked power workers without insisting on the repeal of Sir Joh's new anti-union laws.

But because it is the Premier who remains on top politically, Mr Hawke's best hope is that the ACTU will retain its formal opposition to the Queensland laws but quietly abandon its guerrilla tactics.

The ACTU cannot defeat Sir Joh. The more effective its industrial campaign, the more potentially dangerous might be the shift in Queensland public opinion against the unions.

This is not to endorse the laws which deny civil liberties established for much of this century. But it is to recognise the significant shift in public opinion in the last couple of years against the use of union power, opinion which is reflected in NSW where Mr

Wran has recently refused to buckle to union action in disputes involving both the rail workers and the teachers.

Sir Joh no doubt reasons, probably correctly, that he will have this trend of public opinion on his side if the clash with the ACTU intensifies.

If the Premier is right, then the trade unions themselves must ponder how they reached a situation where the public is prepared to accept laws that deny freedom to strike, organise and protest, to reverse the onus of proof in order to achieve what Sir Joh describes as an end to union blackmail.

If this is the state of Queensland opinion then it represents a major failure by the unions whose concentration on their own internal affairs and cavalier exercise of the strike power has been at the expense of their wider position in the community. Sensing this, Sir Joh has struck.

The externally directed nature of the ACTU campaign is another weapon the Premier can use. Having refined Queensland's inner phobia for many years, a Melbourne-based ACTU campaign against his own precious State will make Sir Joh's propaganda production line run on its own memory.

If the dispute continues, another unfair ramification is that Mr Hawke will be damaged far more than Sir Joh. So far the people of Queensland give little sign of recognising the economic slide that afflicts their State compared with the rest of Australia. Once again years of propaganda have clouded the reality.

Yet a major industrial blockage affecting trade, commerce, transport and international corporations must further shake the confidence, particularly of overseas financial markets in the stability of the Australian economy and the control exercised by Mr Hawke over the unions.

After all, if people overseas got paranoid about Mr Hawke's MX missile backdown, what might they make of the trade union movement declaring war on an entire state; the niceties of the issue will be overlooked as they were on the MX.

If all this is true then it seems the ACTU campaign will hurt Mr Hawke and not Sir Joh. So the question becomes: How serious are the ACTU's efforts?

The issue has been a gift to the Federal Opposition, notably to shadow Industrial Relations Minister Peter Shack, who has been impressive this week in antagonising a very sensitive Ralph Willis.

Mr Shack, who shoulders a huge responsibility in his present shadow portfolio, has seized this chance to find his frontbench feet and rehearse his political drill.

His attack was pitched to the issue of Federal Government responsibility: "The planned ACTU-sponsored transport blockade of Queensland ... demands immediate action by the Federal Government. It is a national crisis as mentioned by Mr Willis during Question Time, but what is the Government doing about it? It is doing nothing ... nothing to protect Queenslanders and doing nothing to protect other Australians who want to travel to Queensland or trade with their fellow citizens in that State ... the Prime Minister and his government, by their inaction, are giving vindictive and irresponsible unions their head..."

Asked whether he supported Sir Joh's anti-union laws, Mr Shack replied: "I support the right of elected governments to legislate in any way they see fit ... if the law is unconstitutional then the courts will determine that. If the law is so out of step with public opinion, then the community has shown in the past it is prepared to voice its collective opposition."

In reply, Mr Hawke and Mr Willis were forceful while committed to defending a difficult political position.

Mr Hawke stressed that under his government industrial disputes had fallen to their lowest level for 17 years;

that it was Sir Joh's decision to legislate that provoked the ACTU action; that such action could not be divorced from the parlous condition of the Queensland economy which the Premier wanted to conceal; that the approach of the industrial relations confrontationists had never worked in the past and would not work now; and finally that this dispute was like any other which meant it would be settled as a result of talks between the parties.

Mr Willis argued, no doubt correctly, that the Opposition demand that the Federal Government use its own legislative power to thwart the ACTU campaign was, in effect, a phoney demand.

He said if the Government adopted draconian measures, then the dispute would be inflamed rather than settled. Mr Willis said it was obvious that the Queensland Government did not want to settle the dispute.

Underlining the emotional content in this issue for the labour movement, Mr Willis declared: "Some 900 are still without a job. Those people have been told they can get their jobs back if they rat on their mates. They have to tell the authorities whether they were forced out on strike and who forced them; what evidence there is of harassment and by whom; they have to name the people who caused any harassment; name any pickets and name any workmates who have urged them to remain on strike."

Mr Hawke and Mr Willis are members of the industrial relations club and play by its rules; Sir Joh is trying to destroy the club itself.

The Hawke Government says there must be talks to settle the dispute. But Sir Joh says there is no need for talks because there is no dispute. He has the law and public opinion on his side. What else does he need?

CSO: 4200/982

17 June 1985

AUSTRALIA

MINING MAGNATE SIGNS \$1 BILLION DEAL WITH ROMANIA

Sydney THE AUSTRALIAN in English 16 Apr 85 p 1

[Article by Danielle Robinson]

[Text]

THE West Australian mining magnate Mr Lang Hancock yesterday signed a \$1 billion, 15-year iron ore deal with the Romanian Government, after enduring more than a decade of government indifference and ridicule.

The agreement will permit Mr Hancock to develop his visionary Pilbara mine with its extraordinary downhill railway.

Mr Hancock, governing director of Hancock Prospecting Pty Ltd, yesterday signed a supply agreement with the Romanian Deputy Minister for Foreign Trade, Mr Julian Bituleanu.

The West Australian Premier, Mr Burke, who announced the deal in Perth, acknowledged the "open hostility" Mr Hancock had received over the years from politicians, and hailed the agreement as the first step in realising Mr Hancock's Pilbara "dream".

Mr Hancock did not want to talk about past rebuffs and simply said he found it "very satisfying" to begin construction of his scheme.

The agreement not only clinches a deal Mr Hancock had searched for to warrant the development of his Pilbara dream, but also marks Australia's first breakthrough into an iron ore market potentially as big as that of Japan.

Mr Hancock said Eastern Bloc countries used more than 85 million tonnes of iron

ore annually.

Negotiations with Romania were sparked by a \$US2000 million (\$A3000 million) canal development linking the Danube and the Black Sea, which, Mr Hancock said, the Romanians had "impoverished themselves" to construct.

He said the canal "will open up the way to something like 98 million tonnes per year of iron ore markets in Eastern Bloc countries".

Countries along the Danube collectively used as much iron ore as Japan, but "so far they have been a closed book to Australia".

Mr Hancock said he was convinced his agreement with Romania would lead to negotiations with other Eastern European countries, and revealed that he had already begun talks with the Bulgarian and Czechoslovakian governments.

His 10-year-old proposal for the Pilbara involves the construction of an iron ore mine, a deep-water port at Ronsard, about 80km south-west of Port Hedland, and a revolutionary downhill railway, using gravity to carry ore to the proposed port.

Yesterday's agreement will form the basis of a \$350 million joint venture between CRA and Hancock Prospecting to develop a mine and associated infrastructure at Marandoo, about 1200km north of Perth.

The final details of the agreement and CRA's side of the contract are yet to be

finalised, but Mr Burke said he had no doubt it would go ahead.

Mr Hancock said the new mine would initially rely on Hamersley Iron's existing infrastructure and port facilities at Dampier, about 150km north of Marandoo.

But once activity at Dampier reached saturation point, he said, joint venturers would look at constructing the Rousard deep-water port and the downhill railway.

According to Mr Burke, Mr Hancock was a "unique and imaginative Australian".

"He has been battling the open hostility of many previous politicians, and while Mr Hancock and I would be as far apart politically as you could possibly imagine two men to be, he must be congratulated," Mr Burke said.

"He is a unique and imaginative Australian, with sufficient wealth to be able to, at his age, relax and enjoy the better things in life.

"But he has continued to pursue very vigorously a new mine in the Pilbara, and today's agreement is the first important step to realise that dream."

Mr Burke offered Mr Hancock the Government's full support in pursuing his scheme because it represented an important diversification of markets presently available to the Pilbara producers.

Mr Burke also said it was "a significant, new and exciting

relationship forged between Western Australia -- and Australia -- and Romania and ... this initiative may well be the acorn from which the big oak tree grows".

The mine at Marandoo will eventually provide employment for up to 2000 people, and under the general agreement so far reached between Hancock Prospecting and CRA it will produce a minimum 10 million tonnes per annum over 20 years.

The agreement between Mr Hancock and the Romanian Government was based on a barter, or counter-trade, system which would see Romania providing the mining and mine handling equipment, railway stock and other plant to enable Marandoo to get off the ground.

Other Romanian equipment would be supplied to an associated company of Hancock Prospecting Pty Ltd for sale to provide additional capital to install the equipment.

Mr Hancock said Romanian equipment would provide about two-thirds of the \$175 million capital investment his company would inject into the venture.

Another part of the Hancock agreement with the Romanians involved Hancock Prospecting providing \$US16 million worth of ship unloaders and other handling equipment for Romania's new deep-water port at Constanza on the Black Sea.

CSO: 4200/982

AUSTRALIA

BRIEFS

AMBASSADOR TO THAILAND--A career diplomat, Mr Richard Smith, has been appointed Australia's new ambassador to Thailand. He will succeed Mr Gordon Jockel, who recently retired after 7 years in the post. [Excerpt] [Melbourne Overseas Service in English 0830 GMT 21 May 85]

FISHERY AGREEMENT WITH THAILAND--The minister for primary industry, Mr John Kerin, has signed an agreement for a joint fishing venture involving Australian and Thai interests. The minister said the agreement would be for a 3-year period and cover the operations of Thai fishing trawlers in the northern waters of the Australian fishing zone. The minister added that a joint venture company would be based in Darwin and would be required to make maximum use of shore facilities and to spend 10 percent of the value of their catch on Australian goods and services. [Summary] [Melbourne Overseas Service in English 0830 GMT 23 May 85]

AID TO NICARAGUA, EL SALVADOR--Australia is to make another contribution to humanitarian assistance in Nicaragua and El Salvador. The latest aid contribution amounts to \$150,000 [Australian dollars], that is about U.S.\$102,000. The money will be split equally between the two countries and allocated to Red Cross programs for the relief of persons displaced by fighting between government and insurgent forces and for the protection and welfare of detainees. A similar contribution was made by Australia to both countries last year. The acting minister for foreign affairs, Senator Evans, said that the extent of human suffering being caused by the fighting in Nicaragua and El Salvador underlined the urgent need for political solutions to the conflicts. [Text] [Melbourne Overseas Service in English 0830 GMT 25 May 85]

CSO: 4200/979

17 June 1985

LAOS

'TALK': OUTLOOK DIM FOR SIHANOUK CGDK

BK261310 Vientiane Domestic Service in Lao 0530 GMT 12 May 85

["Talk": "Enemies of Cambodian People Are in Despair and Have No Future"]

[Text] The various miraculous victories scored by the fraternal Cambodian people in defending the country and building a new life free from the danger of genocide in the past, especially the great victory of historic significance scored in the past dry season, have driven the enemies of the Cambodian people and the new regime, who have disguised themselves under the cloak of the so-called CGDK, into an unprecedentedly difficult situation to the extent that their internal bickering for vested interests can no longer be settled. Their bankruptcy cannot be saved by any reactionary forces.

As a matter of fact, everyone knows full well that the so-called CGDK put together by the Beijing reactionary clique is merely a gathering of the Pol Pot remnants and other reactionary Cambodian groups into a single organization. Truly speaking, this is like putting a signboard of the so-called CGDK on the rotten corpse of the Pol Pot genocidal clique. No matter on whose head the Beijing reactionary clique puts the genocidal crown of the Pol Pot genocidal clique to make him look nicer, that crown still belongs to the clique. In other words, the so-called CGDK--be they the Son Sann or Sihanouk clique--is, in fact, the representative of the genocidal Pol Pot regime. In a legal sense, this matter is very confusing. This is because the said government has only a name, but has no country to rule and no people to control. It only lives in a castle in the air built by the Beijing reactionary clique. This so-called government also gives service to another client--the Thai ultrarightist reactionaries.

Whenever this so-called CGDK is able to live well with donations from its masters, its members always give interviews to the Thai mass media, claiming that they have scored victories so as to fool public opinion or to fool even themselves--as has been constantly done by either Sihanouk or Son Sann--so that their masters will give them more donations to prolong their existence. However, when they have a nightmare, lack food supply, or come to realize that they are being misguided, especially when they realized that the dark scheme of the expansionists and hegemonists has failed to achieve its goal, they always resort to fighting and killing one another.

The time-honored chronic internal conflicts among the partners in the so-called CGDK, coupled with their successive defeats, have further aggravated the rotten position of the Pol Pot regime and the other reactionary Cambodian groups in trying to undermine and destroy the new life of the Cambodian people. This development can be clearly seen from recent defection of a large number of the Pol Pot genocidal remnants to the PRK Government or to flee to other countries to seek political asylum, including such leaders as General In Tam.

Their all-sided defeat in the past dry season has heightened their internal conflicts to an unprecedented degree to the extent that Sihanouk, president of the so-called CGDK, has pretentiously threatened to resign under the false pretext of ill health despite the fact that Washington has just announced a donation of \$5 million to them. Western public opinion has paid close attention to this development. Some people said that Sihanouk is playing a political game in order to force his sponsors to increase assistance to his men. Some have even said that Sihanouk wants to make his name well known again because he felt he lost face when he was not invited to attend the Bandung conference as representative of the Cambodian people.

Nevertheless, one thing is certain--that Sihanouk is no longer an independent-minded person and his future remains very gloomy so long as his name is still linked to the so-called CGDK.

CSO: 4206/138

LAOS

PHOUMI VONGVICHIT SPEECH AT VIENTIANE RALLY

BK211011 Vientiane Domestic Service in Lao 2300 GMT 8 May 85

[Speech by Phoumi Vongvichit, member of the Political Bureau of the LPRP Central Committee and vice chairman of the Council of Ministers of the LPDR, delivered at 8 May Vientiane rally to mark the 40th anniversary of the victory over Hitlerite fascism and Japanese militarism--live]

[Excerpts] Respected senior Buddhist monks; respected members of the presidium of the rally; beloved comrades, excellencies, and friends:

Today, Vientiane's residents--together with the entire Lao people, the Soviet people, the peoples in the fraternal socialist countries, and all peace- and justice-loving people throughout the world--are celebrating the 40th anniversary of the great, historic victory over Hitlerite fascism and Japanese militarism. On this important occasion, I invite all comrades and excellencies attending this rally to stand up in solemn silence for 1 minute to commemorate and to express our gratitude to those persons who sacrificed their lives to defeat fascism, especially to the heroic Soviet fighters and people for making great sacrifices, including their lives and property, to defeat fascism and Japanese militarism so as to rescue mankind on this planet from fascist genocide. Please stand up and bow your heads for 1 minute. [1-minute pause] Please sit down.

On this occasion, on behalf of the Lao party, state, and people, I would like to extend our congratulations, close militant solidarity, and profound gratitude to the heroic Soviet party, state, and people for scoring such excellent achievements and for continuing to enhance further their role as the pillar of the defense of world peace, thus obstructing the new hostile design of the imperialists over the past 40 years. [applause]

I would also like to extend our solidarity and friendship to the armies and peoples in the fraternal socialist countries and all peace- and justice-loving peoples throughout the world for making ardent contributions to defeating fascism and militarism in the past and to defending world peace at present, especially the armies and peoples of the GDR and the other fraternal socialist countries for heroically, majestically, and resolutely standing in the front-line socialist fortress in Europe for the sake of peace in Europe and the world over and for struggling against the war-mongering designs and acts of the U.S. imperialists and their allies. [applause] [Excerpted passages describe World War II in Europe]

Meanwhile, in Asia the Japanese militarists had not yet surrendered. The Soviet Red Army, in the position of victor, declared war on the Japanese militarists on 8 August 1945. On 9 August the Soviet Red Army launched attacks against the Japanese Guangdong forces, most of which were stationed in China's Manchuria. As a result, the Guangdong forces were compelled to surrender to the Soviet Red Army on 19 August 1945. [Applause] This contributed to liberating the northern part of China, and was of great assistance to the Chinese revolution. The Soviet Red Army continued on to attack the Japanese militarists and liberated Korea on 20 August 1945. It suppressed the Japanese militarist soldiers in southern Sakhalin and wiped out the last forces of the Japanese militarists in the Kuril Islands. On 2 September 1945, the Japanese Government was compelled to sign an agreement surrendering to the Soviet Red Army without any conditions. [applause]

Taking advantage of that opportunity, the United States promptly dropped atomic bombs on Hiroshima and Nagasaki, thus committing unforgivable crimes against the Japanese people. Hundreds of thousands of Japanese were killed. The Japanese as well as the world's people will never forget that cruel incident. The dropping of the atomic bombs was not the last act of World War II, but it was the first act of the cold war against the Soviet Union.

All these are the true historical incidents which prove that it was the Soviet Union which served as the decisive factor in the allied victory over the Hitlerite fascists, the Japanese militarists, and their lackeys--a victory which resulted in saving mankind from the disasters of fascism. This fact has been accepted by the peace- and justice-loving people as well as the then leaders of the western superpower countries themselves and their propaganda apparatuses. Roosevelt, the then U.S. president, wrote that the Soviet Army wiped out more enemy soldiers than all the 25 allied countries altogether. Churchill, the then British prime minister, also wrote: I will never forget that it was the Red Army--the Soviet Army--which destroyed the fascists. The Red Army serves as an example of sacrifice and bravery. The Norwegian king announced that the Soviet Union served as the decisive factor for victory in the struggle against the Hitlerite fascists. De Gaulle, the then leader of France, said the Soviet Union maintained a basic role in the war as well as in peace. The New York HERALD TRIBUNE wrote on 25 June 1945 that the Red Army liberated Europe and half of the world and that without the Red Army the liberation of mankind from the fascist yoke would have been impossible. On 9 August 1945, Tojo, the then prime minister of Japan, said: The attacks launched against us by the Soviet Union today are driving us into an impasse. [applause]

But at present, the leaders who have taken the places of those mentioned above pretend to forget what was said by those who acknowledged the facts of history. The new U.S. imperialist powerholders, together with their propaganda machinery, distorted the facts by saying that the operations launched by the U.S. and British troops were decisive. They have set a low value at the Soviet role in World War II. On the contrary, they have overestimated the contributions made by various capitalist countries, particularly the United States. At present, it can be said that some

70 percent of the world population know about World War II only through history books. But, in addition to these books which give the facts about the war, there are a number of other books which were written with the purpose of distorting history. In the United States, there is a set of books comprising 85 volumes under the title: The U.S. Army in World War II. In England, there is a set of books comprising 80 volumes under the title: History of World War II. There are also books with similar titles published in a number of capitalist countries. These books contain fabricated history which distorts the truth and turns white into black. In addition, the vast propaganda machinery of the reactionary ruling circles in the imperialist countries and in other regions have encouraged slanderous movements to deceive the world public in the hope of making the world people misunderstand the true history of World War II.

Whatever cunning and heinous tricks the imperialists and international reactionaries may resort to, the majority of the world's people know well the truth about the history of World War II. They know full well who played the decisive role in the great victory of the antifascist war and who saved mankind from the danger of the Hitlerite fascists and their allies. They also know well who took advantage of the war to serve their cunning schemes and dirty self-interest. The truth, which was justly recorded, is that it was the Soviet Union that played the decisive role in defeating the Hitlerite fascists. It was the Soviet Union that wiped out three-fourths of all Hitlerite forces, or a total of 13.6 million persons.
[applause]

After liberating its country, the Soviet Red Army also used its 8.5 million personnel to liberate various countries in Europe. During this liberation campaign, 3 million Soviet personnel were killed or wounded. In addition, the Soviet Union helped to suppress the Japanese militarists in Asia to save the lives of tens of thousands of U.S. and British soldiers and of the inhabitants of many Asian countries. [applause]

The Lao people always acknowledge with firmness and without doubt that it was the Soviet Union that played the decisive role in the war against the Hitlerite fascists, the Japanese militarists, and their allies. Moreover, the Soviet Union's victory in the great war for the defense of our fatherland created the conditions for the birth and development of the world socialist system and opened a new era for all mankind--an era of struggle for national liberation and for independence, democracy, and social progress on all continents. [applause]

This victory of historic significance created favorable conditions for the revolution of the three Indochinese nations as a whole. Specifically, the victory pushed the Lao revolution, led by a genuine Marxist-Leninist party, to advance vigorously toward a new phase. Victories were repeatedly won until 1975, when the country was completely liberated. For this reason, the Lao people always remember the meritorious deeds, great sacrifices, and great contributions made by the Soviet people and the Red Army.
[applause]

Comrades and friends, World War II ended 40 years ago. However, complete peace has not yet emerged in the world. During this period, the imperialists, colonialists, and neocolonialists--headed by the U.S. imperialists--have pursued a policy of intervention and aggression against various countries in the world. Moreover, they have constantly waged a cold war against the Soviet Union and various socialist countries. At present, the U.S. imperialists and their allies are energetically carrying out an arms race by producing both nuclear and space weapons in an attempt to gain military superiority over the Soviet Union and other socialist countries. Moreover, the U.S. imperialists have stepped up their collusion with the Beijing reactionaries to revive the war of the cross [songkham maikangkhen], with the spearhead aimed at the Soviet Union and various socialist countries. They have tried to oppose national liberation and national independence movements and various peace and progressive forces in the world, thus rendering the world situation extremely tense and pushing mankind to the edge of the abyss of a despicable nuclear war of genocide.

In Southeast Asia, a direct threat is the expansionist-hegemonist policy of the reactionaries in the Chinese ruling circles. In recent years, they have intensified their collusion with the U.S. imperialists and other reactionary forces to sabotage the revolution and peaceful construction efforts of the three Indochinese countries and to oppose the aspirations of the people in the region for peace and stability. In particular, they have continued to carry out multifaceted sabotage activities against Laos in hopes of weakening our country and later invading and swallowing us at will. Meanwhile, the ultrarightist reactionaries in the Thai ruling circles have colluded with the Chinese reactionaries to continue pursuing a hostile policy against the LPDR. They have refused to settle the problem of three Lao villages through peaceful means. Apart from refusing to withdraw Thai troops completely from the vicinity of the three Lao villages according to the announcement of the Thai Government at the United Nations on 2 October 1984, they have continued to occupy Lao territory, maintain tension in the vicinity of the three villages, and commit more crimes against the people in the area and in some areas in Sayaboury Province.

For this reason, let our entire party, army, and people ever heighten their vigilance, strengthen their unity, resolutely smash all schemes and sabotage activities of the enemy, firmly defend our young socialist fatherland, join the fraternal Vietnamese and Cambodian peoples in firmly defending the outpost of socialism in this part of the world, and make a positive contribution to the common struggle of various nations in the world for peace, national independence, democracy, and social progress. [applause]

The Lao party, state, and people of various tribes express complete support for the Leninist foreign policy of the CPSU and the Soviet state and for the Soviet Union's tireless efforts in the struggle for the defense of peace and security of various nations.

We wholeheartedly salute and hail the great achievements recorded by the Soviet people in building socialism and communism and in making the Soviet Union prosperous and strong so that it will serve as a diamond-hard bulwark for peace and as a strong prop for various revolutionary forces in the world. [applause]

On the occasion of the celebration of the 40th anniversary of the victory over Hitlerite fascism and Japanese militarism, we must study the spirit of love for the country and socialism, heroism, lofty sacrifice, and clear-sighted proletarian internationalism of the Soviet Army and people. We must strengthen our confidence in the correct leadership of our party, in the invincible strength of socialism, in the special solidarity and all-round cooperation with Vietnam and the PRK, and in the close solidarity and all-round cooperation with the Soviet Union and other fraternal socialist countries. We must unite with various peace and progressive forces in the world. [applause]

In conclusion, I wish compatriots new successes in the cause of building socialism and victoriously defending our young nation. [applause]

Long live the great friendship, militant solidarity, and all-round cooperation among Laos, Vietnam, and the PRK! [applause]

May the solidarity and all-round cooperation between Laos and the Soviet Union and various fraternal socialist countries last and develop forever! [applause]

Long live world peace! [applause] Thank you.

CSO: 4206/135

LAOS

PHOUMI VONGVICHIT ON PRAGMATISM, BUDDHISM

BK310553 Vientiane Domestic Service in Lao 1400 GMT 20 May 85

[14 May Interview with Phoumi Vongvichit, member of LPRP Central Committee Political Bureau and vice chairman of LPDR Council of Members, by (Miklos Kereti), correspondent of Hungarian radio--read by announcer]

[Text] Question: This December will mark the 10th anniversary of the establishment of the LPDR. How do you evaluate the past 10 years if you recall the tasks and gains?

Answer: The Lao revolution has gone through many periods. The first period began in 1945 when we resorted to armed struggle to drive out the French colonialists and to regain national independence. In 1954, after the French colonialists had been defeated and after our country became independent, we hoped to build and make our country prosperous and peaceful. However, the U.S. imperialists jumped in to wage a more ferocious and more inhumane war of aggression against Laos. We thus found it necessary to join the entire Lao people, under the leadership of the LPDR, in continuing the struggle to regain independence for our country. The struggle against the U.S. imperialists proceeded in many forms. Following our successful armed struggle we carried on the struggle by participating in a general election and waged a struggle in parliament once. We also participated three times in a coalition government. This struggle lasted 19 years and enabled us to draw a lesson--As long as we do not have armed forces as strong as those of the enemy and as long as we fail to possess firm political foundations among the people, we can never achieve what we expect.

The past 10 years were a period in which we practiced the dictatorship of the proletariat and simultaneously carried out three revolutions to lead Laos, which had been backward for many centuries, to advance toward socialism without going through the period of capitalist development. We once said that the past 30-year struggle to regain national independence was a difficult, hard, and complex struggle. Yet, we realize the struggle waged in the past 10 years to safeguard the national administration and build the socialist economy is more difficult, fiercer, and more complex than the 30-year struggle. This is due to the fact that our country is an agricultural country with small, backward production which mainly depends on nature and which has been affected by a war of aggression and destruction which lasted for more than 30 years. Moreover,

the imperialists, the international reactionaries, and other reactionaries have never stopped waging guerrilla, economic, cultural, and psychological wars aimed at obstructing Laos from advancing along the socialist path.

However, thanks to the LPRP's correct line, the close unity among the Lao people of all tribes, and to the abundant and effective assistance of the Soviet Union and other fraternal socialist countries our socialist revolution has continuously progressed with swift and firm steps. At present, we have achieved self-sufficiency in food supplies thanks to the fact that an increasing number of farmers have joined cooperatives. Many factories left by the enemy have been restored, and many factories have been set up to meet the people's requirements. Handicrafts, which were abandoned by the people for many years, have been restored. Illiteracy has been eliminated throughout the country. Educational and public health networks have been extended to the grassroots. All-people national defense and public security tasks are proceeding fruitfully. Even though internal and external difficulties remain, I believe that the Lao people will be able to surmount them and resolutely advance toward socialism with the purpose of daily improving the people's living conditions.

Question: In what sphere will the old attitude be changed? What are the lessons accumulated in the past 10 years?

Answer: Since Laos is a country of small production and needs to advance toward socialism without going through the development of capitalism, it is necessary for our people to firmly grasp the proletarian dictatorship and carry out the revolution in production relations in coordination with the technical and scientific revolution and the cultural and ideological revolution. To build and make the Lao people new, socialist people, it is necessary for us to change all standpoints of other classes into the stand of the proletarian class. We must make everyone clearly understand that the imperialists, capitalists, and international reactionaries and their lackeys are the country's enemy and that the people of fraternal socialist countries and the people of all countries struggling against our common enemy are friends.

The various lessons we have learned over the past 10 years are that we must unite the people of all tribes around the LPRP, maintain the special solidarity with the peoples of Vietnam and Cambodia, and must be absolutely dependent on the socialist community with the Soviet Union as core. Simultaneously, we must increase our capabilities and initiatives in order to be basically dependent on our own strength while resolutely marching toward socialism without making any mistake in leaning to the left or right. Only by so doing have we led the nation to march forward step by step until the present.

Question: It has often been reported in the world papers that Laos' policies are realistic, that there is compromise in domestic policy, and that there is no hurry or pressure in switching to socialism. How do you, Comrade, sum up the specific points of Lao policy, which has created rich experiences for developing countries advancing toward socialism?

Answer: The LPRP's policy is a Marxist-Leninist policy. We have to clearly point out the specific points of Laos--which is a country of small production--

in order to together lead it to become a country of large, socialist production. We are aware that it is necessary for an underdeveloped country like Laos to correctly follow the economic, political, cultural, and social rules. We also want to lead the country to march quickly forward to socialism through a shortcut. We see, however, that this is not possible, because if we failed to follow the said rules, we would only lead our country from the socialist path and to inevitable collapse. Therefore, we must follow a Lao proverb that says to take a shorter time, one must crawl; to take a longer time, one must run.

Question: I have read in a paper that in Laos, Karl Marx and the Lord Buddha coexist peacefully. What is your opinion on the relations between the state and religions?

Answer: Karl Marx and the Lord Buddha could not coexist because they were born in different countries. However, the Laos our party has granted the people freedom of belief. People can profess whatever religion they want. They can also profess no religion if they want. In Laos, not many people are catholics. There is no problem for them to join the revolution. The majority of Lao people profess Buddhism. Minority people, mostly residing in mountainous areas, believe in and practice superstitions. We hold that all people residing in Lao territory are Lao citizens and that all of them must perform their obligations for the nation.

We maintain that Buddhist monks are Lao citizens because they are all sons of farmers, small capitalists, and cadres working in Laos. These monks are indignant at the bombings of Lao villages or the killing of Lao people by the U.S. imperialists and their henchmen because the houses destroyed and those killed were all their houses, parents, or relatives. On the other hand, not all Lao Buddhist monks remain in the monkhood all their lives. Once they leave the monkhood, they become ordinary Lao citizens. This is why Lao monks never separate themselves from the Lao citizens and consider enemies of the nation as enemies of Buddhism. All Lao monks join in the single organization--namely, the Unified Buddhists' Organization, which is attached to the Lao Front for National Construction. As for the monks' training schools in temples, they are attached to the Education Ministry and they have followed the same curricula as those used in government schools. Many monks who have graduated from primary, secondary, and senior high schools and finished their training courses from the primary, secondary, or senior high school teachers' training schools have been later assigned to teach monks at the monks' training schools in the temples. Monks who have been appointed to be teachers of the schools in the temples and who have later left the monkhood would be assigned to teach students in formal schools of the government without taking further competitive examinations. Monks who have finished secondary and senior high schools and have later left their monkhood can study further in vocational training schools or universities at home or abroad if they want. This is why we do not separate religions from the state. This is because all religious believers are willing to be under the guidance of the party and state and to perform the task of publicizing the educational, public health, and economic work as they can in order to contribute to building the country.

Question: Laos has firmly maintained special relations with two other Indo-chinese countries--Vietnam and Cambodia. I think that you comrades have exchanged lessons in carrying out the economic and political tasks. What has Laos learned from its neighboring countries and what contribution has it made to the common development?

Answer: Vietnam, Cambodia, and Laos were put into the French federation of Indochina by the French colonialists from 1893 to 1954. The peoples of our three countries unitedly rose up, took up arms, and struggled together to drive out the French colonialists to regain the independence of their countries. We achieved victory in our struggle in 1954--the year in which the French colonialists recognized the independence of Vietnam, Cambodia, and Laos and agreed to withdraw all their troops from the three countries.

If the U.S. imperialists had not taken the place of the French colonialists in continuing to carry out aggression against Laos, we would not have had to take up arms and continue to carry out the national salvation struggle until 1975. During the period of common struggle for national salvation and during the past 10 years of socialist construction in their respective countries, the peoples of Vietnam, Cambodia, and Laos have unconditionally assisted each other. It is a type of assistance very rare in the world. We have provided each other with assistance in all fields of materials, lessons, and lives. In the period of national salvation struggle, the Vietnamese and Cambodian peoples have given to the Lao people lessons on how to fight and defeat the enemies without the losses in lives and blood. The Lao people have given free of charge whatever they have to the Vietnamese and Cambodian people--whatever they needed to serve their national salvation struggle.

Many hospitals, schools, and factories built in Laos over the past 10 years are the result of assistance given by the Vietnamese people. Dozens of roads paved with stones or asphalt, which have created convenience in the transportation service in Laos at present, have also resulted from Vietnamese assistance. In addition, the Vietnamese people have given us their good lessons on the setting up of agricultural cooperatives, agricultural settlements, factories, and plants.

The Cambodian people, who have scored experiences in the cultural and handicrafts development field, have also delivered those experiences to us. Along with this, the Vietnamese and Cambodian peoples have also allowed us to use their port cities as ways to the sea since Laos is a landlocked country. On our party, we have created conveniences for the Vietnamese and Cambodians to exploit wood and other forestry products as they need from Laos at low prices as bilaterally agreed upon. We have maintained the special solidarity in this way because our three countries had had common enemies in the past and now still have the same enemies that we must continue to fight together for a long time to come.

Question: What is your opinion about the economic measure--or, as called by the world papers, the economic transformation--now being implemented in China?

Answer: I do not want to interfere in the internal affairs of China. However as I have learned from the world public, the present leaders of China have already abandoned Marxist-Leninist theories and are now dependent on the United States, Japan, and other Western countries to build socialism. Besides, the present Chinese leaders have acted as enemies of the Soviet Union, used soldiers to carry out aggression against the SRV, colluded with the reactionaries in the Thai ruling circles in waging war along the Cambodian border and mobilizing forces to attack and occupy the three Lao villages which are building socialism. In my view, those who refuse to accept Marxism-Leninism, oppose socialist countries, and cooperate with capitalist countries will only transform the enemy along the path of capitalism.

CSO: 4206/138

LAOS

TRUONG CHINH'S 22 MAY ACTIVITIES NARRATED

BK260829 Vientiane Domestic Service in Lao 0500 GMT 24 May 85

[Report: "Symbol of Great Friendship, Special Solidarity, and All-Round Co-operation Between Laos and Vietnam"]

[Text] Once in love, neither are we separated by mountains, nor by rivers or mountain passes.

Our two countries, Vietnam and Laos, are bound by love deeper than the water of the Red or Mekong Rivers.

In this precious spirit, 22 May 1985 was a very important day for the Lao party, state, and people of all tribes and nationalities in having the honor of welcoming a high-level party and state delegation of the SRV led by Comrade Truong Chinh, member of the CPV Central Committee Political Bureau and chairman of the SRV Council of State, who brought with him the friendship and intimate love from nearly 60 million people who are beloved children of President Ho Chi Minh to the entire Lao people of all nationalities and tribes. On that morning, the people of Vientiane awaited the high-level party and state delegation of the SRV along various roads. The Vientiane airport was decorated with the national flags of Laos and Vietnam and other colorful flags planted side by side. At other places, the people planted the two national flags along highways and at offices, organizations, and houses. The banner carrying the slogan: Wholeheartedly hail the official friendship visit of the SRV party and state delegation led by Comrade Truong Chinh, and other banners were displayed in the Lao and Vietnamese languages at the Vientiane airport building and at other places along highways.

The reception building of the Vientiane airport was crowded with our party and state leaders, cadres, state employees, people, and male and female youths waiting to welcome and hail the friendship visit of the SRV high-level delegation. Upon hearing the sound of an incoming plane, the masses present at the Vientiane airport and others who heard the sound fixed their gaze on the same thing. Shortly after this, the special plane bringing the high-level party and state delegation of the SRV to pay an official visit to Laos moved slowly to the middle of the tarmac, where Comrade President Souphanouvong and many high-level party and state cadres stood.

As the plane door sprung open, the first person to feel the warmth of the land of the Champa flowers was Chairman Truong Chinh. He was first greeted by Comrade President Souphanouvong. The two leaders hugged each other with indescribable happiness. As soon as the LPA band played the Lao and Vietnamese national anthems, a 21-gun salute was fired in honor of the delegation--the Lao people's intimate friends. Then, seven young girls presented to the delegation fragrant flowers symbolizing the Lao people's hospitality. Later, Comrade President Souphanouvong accompanied Comrade Chairman Truong Chinh to review the LPA guard of honor and shake hands with the party and state leaders and Lao and foreign figures waiting to welcome the delegation members, who are brothers of the same big socialist family.

A motorcade slowly took the SRV delegation from the airport to the town amid cheers and the shouting of: "Hail the high-level party and state delegation of the SRV, long live the friendship and all-round cooperation between Laos and Vietnam, and long live the Vietnamese party and state delegation. The Vientiane residents standing on either side of the road from the airport to the guest house waved the two flags of Laos and Vietnam to salute and welcome the delegation.

During the 1st day of their stay in Laos, Chairman Truong Chinh and his party laid a wreath at the monument to revolutionary combatants and paid a call on Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers. They also called on Comrade Souphanouvong, member of the LPRP Central Committee Political Bureau, president of the LPRP, and chairman of the SPC, and received courtesy calls from delegations of the party committee and administrative committee of Vientiane municipality and the Laos-Vietnam Friendship Association.

The conversation between Comrade General Secretary Kaysone Phomvihan and Comrade Chairman Truong Chinh and his party proceeded in an atmosphere of intimate friendship. They exchanged regards with joy and happiness. They smiled and laughed like brothers, members of the same family. Comrade General Secretary Kaysone Phomvihan regarded the SRV delegation's visit to Laos as an important contribution to strengthening the militant solidarity and special, rare, and time-honored ties of friendship between the two parties, states, and peoples of Laos and Vietnam.

It can be said that the official friendship visit to the LPDR of the high-level SRV party and state delegation led by Chairman Truong Chinh is extremely joyous and is of great significance to the Lao people because this visit is taking place as the entire party, army, and people of Laos are rejoicing at the successes and achievements of the first phase of the campaign to score achievements to welcome enthusiastically our country's 2 historical days--the 30th anniversary of the founding of the LPRP and the 10th anniversary of the establishment of the LPDR--to fulfill the first 5-year state plan. At the same time, this visit is taking place at the Lao people throughout the country, together with the Vietnamese and Cambodian peoples and peace-loving people throughout the world, are celebrating President Ho Chi Minh's 95th birthday. The visit constitutes a great encouragement for our entire party, army, and people in surmounting all difficulties to fulfill the two strategic tasks--defending the country and building socialism.

Though it was only the 1st day of the visit to the LPDR, it was a day of cordiality, profound significance, and profound understanding as reflected in President Souphanouvong's speech at the joyous banquet held on the evening of the 1st day of the visit. He said in part: Your visit marks a new step in the fine development of the uncrushable special solidarity, militant alliance, and all-round cooperation between our two parties, two countries, and two peoples. Comrade Truong Chinh also addressed the banquet, stressing: The Vietnamese people promise to do their best to consolidate and defend continuously the militant solidarity and special relationship among our three nations just as they protect their own eyes. The Vietnamese people will be loyal and reliable friends of the fraternal Lao and Cambodian peoples forever.

CSO: 4206/138

LAOS

REGULATION ON USE OF WEAPONS, EXPLOSIVES ISSUED

BK310951 Vientiane Domestic Service in Lao 0430 GMT 18 May 85

[14 March Regulation No 98 issued by the Interior Ministry and Signed by Interior Minister General Sisavat Keobounphan on Registration of Weapons and Explosives]

[Text] Definition: With reference to the party and state direction on the consolidation of national defense and public security work, the Interior Ministry and the National Defense Ministry issue the following regulation:

Article 1. All weapons and explosives are owned by the state and the state manages them directly only through its military and police personnel who are authorized by the party and state to utilize them, to issue permits for their use, and to inspect the work in using and storing them. The issuance of weapons must be accompanied by a voucher.

Article 2. All bearers, users, and carries of war and sports weapons and explosives must receive official permissions from the following authorized personnel: the issuance of weapons and explosives under the control of military organizations and units must be accompanied by a permit issued by a military commander at the provincial level upward. The issuance of weapons and explosives under the control of public security organizations and units and other services must be accompanied by a permit issued by a public security organization at the provincial and municipal police command level upward.

Article 3. After carrying out combat duties and training sessions and at times when weapons--such as all war and sports weapons and explosives--are not in use, they must be kept in the storage of the organization, office, or unit concerned under tight management of responsible persons so as to prevent any loss or damage by fire. Only those persons authorized by a public security organization to use weapons and explosives may keep war and sports weapons and explosives at home.

Article 4. It is absolutely prohibited for those persons authorized to carry weapons to lend their weapons and collective weapons to other persons.

Article 5. Users and bearers of hunting firearms must secure permission from the public security organization at the district level. Bearers of hunting

firearms leaving or entering the country must secure permission from the Interior Ministry. Tribal people in mountainous localities must register their hunting firearms with the public security organizations in their respective cantons and villages without the need to secure permits from the public security organization at the district level.

Article 6. After this regulation takes effect, those persons possessing weapons and explosives must register them with the public security organizations at the village and canton levels or the local administrations for permission to use them. Weapons and explosives used without permission will be confiscated by the public security organization pending further action.

Article 7. It is absolutely forbidden to modify war weapons into hunting firearms, to use explosives in making bullets for hunting firearms, and to use war and sports weapons for hunting and committing other criminal offenses. Those weapons which have already been modified for use in hunting must be turned over to the public security organization at the district level for storage.

Article 8. Any persons found illegally engaging in purchasing, selling, producing, repairing or modifying weapons and explosives or using, storing, and transporting them in contravention of this regulation will be prosecuted accordingly. Disciplinary action and court punishment will be meted out against those persons who, found lacking responsibility or failing to comply with the regulation on the management of weapons and explosives, cause losses or damage to those weapons and explosives.

Article 9. Every citizen has the duty to find out and report to the administration any acts of smuggling, selling, producing, modifying, or hiding weapons and explosives in an illegal manner. Those weapons and explosives found abandoned must be handed to the public security organization or military authorities.

Article 10. All heads of organizations, officers, units, and services; all mass organizations; and chairmen of all local administration have the duty to implement this regulation in their respective services and localities.

Article 11. To effectively implement this regulation in earnest, the ministers of interior and national defense have authorized the weapons management department of the Ministry of National Defense and the civilian management police department of the Interior Ministry to strictly carry out the tasks of inspection and management, and the implementation of this regulation. Any effective or ineffective implementation of the contents of this regulation must be reported to the ministers of interior and national defense for prompt guidance to ensure effective implementation in the future.

[Dated] 14 March 1985

[Signed] General Sisavat Keobounphan, interior minister.

CSO: 4206/138

LAOS

THAI PAPER ON LPDR ECONOMIC DEVELOPMENT

Bangkok DAO SIAM in Thai 6 May 85 p 2

[Penetrate the World column by Anthaphon Na Bangchang: "Laos Develops the Country"]

[Text] Actually, Laos, which is a close neighbor of ours, should be very interesting to us. But the communists seized control of Laos and so Laos has drifted away from us. This week, I will write about Laos, which is working hard to develop the country by mobilizing capital from abroad.

The communists have ruled Laos for 9 years now. Outsiders feel that Laos should have a real socialist system by now since [the communists] have been in control so long. But actually, Laos has not yet completed the shift to a socialist economic system.

Little headway has been made in collectivizing agricultural production, which is an economic principle of this system. People are still allowed to engage in small business activities. Export and import activities, which should be handled by the government, are still being handled by the private sector.

Laos has never disclosed the contents of its 1981-1985 Five-Year Plan. It has only revealed broad aspects of the plan. In agriculture, the socialist system still has limitations. The government controls less than 30 percent. Out of 2,400 business operations, only 700 can be said to be models of socialism. And even these have limitations. The state receives agricultural products from the small fields, not the large fields that are the backbone of the country.

The farmers are supposed to send "levies in kind" to the state as if paying an income tax. But the state purchases very little from the farmers. That portion not purchased by the state is sold on the free markets or exchanged for consumer goods.

To date, there is no indication that Laos will take resolute action to control agricultural yields. Mr Phoumi Vongvichit, the vice chairman of Laos, corrected the rumors that an attempt would again be made to collectivize agriculture, which failed in 1981. He said that this was not urgent and that it will take time for a country such as Laos to shift to a socialist economic system.

As for rice production, this past season, Laos produced 1.2 million tons, which is slightly more than the amount needed to satisfy domestic demand. Western experts believe that Laos can become self-sufficient in the future. There are several other types of crops that Laos can produce. These include corn, coffee, sugar cane, cotton and tobacco.

East European countries and Sweden have helped Laos afforest areas and develop its natural resources. This development is now the most important project in Laos. However, little has been accomplished. The World Food Project has provided \$1.5 million in aid in 3 years in order to send food to the farmers in Luang Prabang who volunteer to help the project during the non-agricultural season and who allot land for terraced farming.

Industry in Laos is still very limited. There is just the Soviet cement plant with a production capacity of 200,000 tons. This is because this is not an urgent matter for the country. Production at the Phong Thieu coal mine has declined to 250 tons. If larger quantities are really needed, more can be produced.

However, the country's lack of an adequate infrastructure remains a problem just as it has been ever since 1962. For example, it will take billions to build railroad lines and ports to ship ore to Vietnam.

Highway 13, which links Luang Prabang and Vientiane City, a distance of 1,200 km, will be completed this year. The Soviet Union provided much technical and financial support for this project. The construction of other roads is being carried on with foreign help, too.

Laos has a huge hydroelectric plant, but it uses only 10 percent of the electricity produced. Laos sells the rest to Thailand. It earns \$23 million a year from this, which accounts for 90 percent of the total value of exports. It can be said that Thailand is its largest customer.

Besides this, Laos is building a hydroelectric plant at Nam Num, which will be completed in the near future. It is thought that Laos will sell more electricity to Thailand.

Clearly, Laos needs large sums of foreign capital to develop the nation's economy. Some of this is aid money and some is in the form of long-term loans. During the period 1978 to 1982, Laos received \$90-110 million

a year in foreign aid. In 1983, it received \$13 million from various international organizations; \$4.5 million came from the U.N. Development Project (UNDP). Western governments provided another \$16 million. Besides this, East European countries and the Soviet Union gave Laos \$53 million in aid.

The International Development Association, or IDA, has granted Laos interest-free loans. OPEC has provided aid, too. Clearly, Laos has received help from many sectors. The question is whether Laos can make effective use of that aid. For example, of the 11 projects approved by the World Food Project, only 1 has been completed. Laos still has a shortage of laborers and experts.

In summary, to develop the country, Laos is using large sums of money received from abroad. Its main source of capital is the Soviet Union. This is followed by Czechoslovakia, East Germany, Hungary and Vietnam. However, Vietnam provides only a little support for industry. For example, it sends experts and provides vocational training scholarships.

Our neighbor is making a great effort to develop using funds from the Soviet Union. You can draw your own conclusions about why the Soviet Union is doing this.

11943
CSO: 4207/209

LAOS

ANNOUNCEMENT ON FUEL OIL MANAGEMENT REGULATIONS

BK290631 Vientiane Domestic Service in Lao 1400 GMT 15 May 85

[23 April Announcement of Office of LPDR Council of Ministers]

[Text] To: All ministries, ministerial-level committees, mass organizations, and Vientiane provincial and municipal administrations

Subject: Regulations and Principles on the Management of Fuel Oil Throughout the Country

Implementing the line, plan, and policy of the party and state on the transformation and building of socialist economy and various rules and regulations of the state, based on the Instruction No 102/MTS dated 21 February 1985 of the Ministry of Material and Technical Supply on the planned organizing for the supply of fuel oil to the people as already announced for implementation, to arrange for the implementation of those line, plan, policy and instruction to guarantee the management and appropriate supply of fuel oil in accordance with the regulations and principles and to do every possible means to prevent those who take advantage of opportunities from taking the state property to carry out trading activities to create an unrest in the society by opposing the regulations and principles adopted by the state, the Office of the Council of Ministers therefore issues this announcement to all ministries, ministerial-level committees, mass organizations, and administrations at all levels as well as cadres, state employees, workers, soldiers, police, fraternal people, traders, and aliens who earn their living in the LPDR to thoroughly acknowledge and understand the following:

1. Fuel oil is regarded as an important strategic and essential material in all domains of work. It is monopolized by the state organization. Only the state organization is authorized to place an order for its purchase from foreign countries and to circulate and distribute it to any place in the country. The LPDR Council of Ministers has authorized the Fuel Material Supply Company of the Material and Technical Supply Ministry to solely manage and supply it in accordance with the state's allocation plan and in conformity with the regulations, principles, prices, and places as set by the state. Fuel oil supplied by the state is for the purpose of using in service of the production work. It is used to help develop the production in order to guarantee a gradual improvement of the living conditions of the cadres, state

employees, workers, soldiers, police, and fraternal people of various tribes.

Therefore, to correctly supply and manage fuel oil in conformity with the principles, various offices and organizations as well as the cadres, state employees, workers, soldiers, police, fraternal people, traders, and aliens who perform their duties and earn their living in Laos are absolutely prohibited from using the fuel oil for other purposes, illegally engaging in fuel oil trading, purchasing fuel oil from ill-intentioned persons, taking advantage of the state property for sale, or selling fuel oil of any type at roadsides or secretly selling it at home or other places.

2. Those who are found guilty or those who take advantage of opportunities to carry out fuel oil trading shall be fined or punished in accordance with the following regulations and principles: First time, the fuel oil will be confiscated, and they will be reeducated, trained, and warned not to do it again; second time, the fuel oil will be confiscated, and they will be fined at the cost of five times as much as the total selling price; and third time, the fuel oil shall be confiscated, and they will be duly fined and put into jail.

3. Those good citizens maintaining a sense of being [word indistinct] of the country who cooperate with and promptly inform the authorities of an illicit fuel oil trading will be commended and given rewards by the Fuel Material Supply Company of the Material and Technical Supply Ministry.

4. The Interior Ministry, the Vientiane provincial and municipal administration, district administrations, offices of party and state organizations, mass organizations, and administration at all levels are authorized to take steps to widely publicize this announcement to the cadres, state employees, workers, and fraternal people. They are also authorized to take all measures to study, obstruct, and strictly suppress incidents in connection with this issue.

5. This announcement comes into effect as of the date of signature.

[Signed] Khambon Keokinnali, chief of the Office of the Council of Ministers, on behalf of the minister

Vientiane, 23 April 1985

CSO: 4206/138

LAOS

BRIEFS

VETERANS DELEGATION TO MOSCOW--On 4 May, a delegation of the National Committee for Social Welfare and War Veterans, led by committee Chairman Meun Somvichit, departed from Vientiane for Moscow to attend the celebration of the 40th anniversary of the victory of the Soviet Red Army over the German fascists and Japanese militarists, which will be held on 9 May. [Summary] [Vientiane Domestic Service in Lao 1400 GMT 4 May 85]

PROGRESS OF BRIDGE CONSTRUCTION--The construction of a bridge across the Nam Kading River on Route 13, which is some 200 [kilometers] south of Vientiane, by workers and technicians of Bridge and Highways Construction Company No 1, and Soviet experts has been under way progressively and is 85 percent complete. Construction began in January 1981. The bridge is an important strategic one on Route 13. It is 347 meters long and 8 meters wide, is capable of carrying a load of 80 metric tons, and is expected to last [100] years. [Summary] [Vientiane Domestic Service in Lao 1400 GMT 4 May 85]

CSO: 4206/135

MALAYSIA

OUTLAWED COMMUNISTS SAID INFLUENCING LAWFUL GROUPS

BK230723 Kuala Lumpur BERITA HARIAN in Malay 13 May 85 p 1

[Text] The outlawed Communist Party of Malaya [CPM] has directed its underground members to influence a Chinese organization in the Pahang State in addition to making efforts to rally support from the Malay community. Both these new activities had been traced to the west Pahang State region by the State Security Council. These have become their main strategies to topple the government following the construction of the Temenngor dam and the East-West highway.

State Security Council Deputy Secretary Mr Mohamed Abdul Rahman said that the regions the communists concentrated on are the Cameron Highlands, Lipis, Raub, Bentong, Temerloh, and Jerantut. He disclosed this when presenting a working paper--"The Current Security Threat"--which was read by Mr Mohamed Simin Mohamed Nasir, an official of the State Security Committee, at a state security information function on 11 May. Mr Mohamed disclosed that the CPM main party issued the last directive on efforts to intensify the communist united front's activities by influencing lawful organizations.

"This type of activity has not yet been exposed in this state, but several pro-communist elements have become members of political parties and other organizations. The most recently obtained information is that there was a directive to the underground communist members to influence a Chinese organization in the state. The CPM main party and its 6th battle unit are confident that their illegal struggle will not be successful if support is given only by a group, that is the Chinese group."

Besides this, Mr Mohamed said that the CPM is making efforts to establish several infiltration channels from the Thai-Malaysian border, to train new recruits for its terrorist organization, and to coordinate its underground activities. According to him, the infiltration channels are aimed at Pahang State so as to facilitate the communist terrorist activities and needs such as the PGK [communist terrorist members], firearms, and logistics. Mr Mohamed clarified that the communists have tried numerous times to establish infiltration channels but all these failed due to the national security forces' ability to trace them down.

CSO: 4213/236

MALAYSIA

DEPOSED SABAH CHIEF MINISTER SUES TO REGAIN JOB

BK241237 Kuala Lumpur NEW STRAITS TIMES in English 24 May 85 p 1

[Article by Lakshmi Natarajan]

[Text] Kota Kinabalu, Wed--Tun Datu Mustapha Harun filed a suit in the High Court today seeking a declaration that the appointment of Datuk Joseph Pairin Kitingan as the Chief Minister of Sabah is unconstitutional. Among other things, the writ also seeks to obtain an injunction restraining Datuk Pairin from exercising the powers of chief minister.

Tun Mustapha, who is president of the United Sabah National Organisation (USNO), has named the Yang di-Pertua Negeri Sabah, Tun Haji Mohammad Adnan Robert, as the first defendant, and Datuk Pairin as the second defendant.

He is also seeking declarations to nullify:

--Tun Mohammad Adnan's revocation of his appointment as the chief minister on 22 April;

--Datuk Pairin's appointment as the chief minister on the same day;

--Tun Mohammad Adnan's act in appointing the State Cabinet;

--Tun Mohammad Adnan's act in appointing the nominated members of the State Assembly; and,

--All acts and things done by Datuk Pairin "in his pretended exercise of his powers as chief minister."

He is claiming that these acts are ultra vires the Constitution, null and void and of no effect.

Tun Mustapha is also claiming costs of the suit.

In his statement of claim, Tun Mustapha states that he is an elected member for the state constituency of Usukan, Sabah, and was on 21 April elected at Usukan as a member of the Sabah Legislative Assembly.

The following day, the first defendant, acting under the provisions of Article 6 (3) of the Constitution, appointed him as chief minister.

Article 6 (3) of the Constitution states:

"The Yang di-Pertua Negeri shall appoint as chief minister a member of the Legislative Assembly who in his judgment is likely to command the confidence of a majority of the members of the Assembly and shall appoint the other members mentioned in Clause 2 in accordance with the advice of the chief minister from among the members of the Assembly."

Tun Mustapha is claiming that upon a true construction of the Constitution, the discretion conferred under Article 6 (3) read with Article 10 (2) and 10 (4) was subjective and personal to Tun Mohammad Adnan.

"The appointment of a chief minister is not a matter upon which the first defendant is obliged to act upon advice," he says.

Claiming that his appointment as the chief minister was lawful and constitutional, he states that the first defendant by a letter dated 22 April purported to revoke his appointment.

He contends that the Constitution does not empower the first defendant to revoke his appointment as chief minister, save in accordance with its provisions, and he had not resigned as the chief minister.

He alleges that on 22 April Tun Mohammad Adnan appointed Datuk Pairin as chief minister, and acting on the advice of Datuk Pairin, Tun Mohammad Adnan unconstitutionally appointed a State Cabinet and nominated members to the Assembly.

Tun Mustapha, who is claiming that he was wrongfully and unlawfully dismissed from his position as chief minister, is alleging that he is being prevented from exercising the rights and powers accruing to him under the Constitution. He is contending that:

- His appointment as chief minister is lawful, effective and constitutional;
- The Constitution does not provide for two chief ministers;
- The purported revocation of his appointment or dismissal as chief minister is null and void and of no effect;
- The subsequent appointment of Datuk Pairin is ultra vires the Constitution and consequently null and void and of no effect;
- He is and has been since 22 April the chief minister of Sabah;

--The purported State Cabinet is null and void and of no effect; and,

--The appointment of the nominated members of the Assembly is also null and void.

It is understood that the writ was served on Tun Mohammad Adnan at the istana about noon and on Datuk Pairin half an hour later.

CSO: 4200/980

MALAYSIA

COMMENTARY ON USSR SECURITY CONFERENCE PROPOSAL

BK241253 Kuala Lumpur International Service in English 0800 GMT 24 May 85

[Unattributed commentary]

[Text] The Soviet Union has proposed the holding of an Asian security conference on the lines of the Helsinki conference that brought together all the nations of Europe irrespective of their political ideology. There are numerous nations in the Asian and Pacific region that do attach importance for security. It is a prerequisite for any kind of national progress and for the raising of living standards as well as the quality of life.

But, the new act of organizing a conference will not resolve all security problems. The Soviet Union has not exactly been noted for utilizing peace conference in the way they ought to be used. All too often, gatherings that bring many governments together have been used or rather abused in that they have been turned into forums of communist propaganda and for attacks on all anticommunist nations. Such developments, far from promoting the cause of world peace and security, only lead to disillusionment with security and disarmament conferences.

The present geopolitical situation in Asia reflects the power drive of the Soviet Union. In Northeast Asia, the Russians are well entrenched, and the shooting down of a Korean airliner nearly 2 years ago indicates the extent to which the Soviet authorities regard their own security interests. The Soviet naval presence in the Pacific has been a source of concern for many countries, which view this as a threat to their own security given the nature of communism as a political ideology. Of particular concern to ASEAN is the buildup of the Soviet naval presence and power in Cam Ranh Bay in Vietnam. While ASEAN has been attempting to spread the concept of a zone of peace, freedom, and neutrality in this part of the world, the Russians have been going ahead with their own plan. This has resulted in greater American intervention--a development that the nations of this region are forced to condone.

The security interests of South Asia have also been compromised by the Soviet military presence in the Indian Ocean and the Russian military involvement in Afghanistan. Then, there is Kampuchea--an issue that is of deep concern to Thailand, Malaysia, and all the other states of this region. The Soviet support for Vietnam has enabled that country to continue its aggression right up to the Thai-Kampuchean border. Thus, security problems are really human problems as thousands of refugees flee by land and sea to other countries.

The fact that the superpower that has caused so much instability and insecurity among so many nations of Asia is now preaching the value of a security conference somehow lacks credibility at first sight. The Soviet Union will find that there may be polite answers, but there will also be (?deep) scepticism. What ASEAN wants first is Soviet influence on Vietnam to give up its hold on Kampuchea. If that were done, then Soviet credibility would be much greater and there may be some value in planning an Asian security conference.

CSO: 4200/980

MALAYSIA

KUALA LUMPUR ON ASEAN PROTEST TO AUSTRALIA

BK241217 Kuala Lumpur Domestic Service in English 1130 GMT 24 May 85

[Text] Malaysia, as chairman of the ASEAN standing committee, has conveyed a note to Canberra expressing its concern over the visit to Australia by two senior officials of the Vietnamese-backed Phnom Penh administration. The note was conveyed to Australia's foreign minister, Bill Hayden, after Foreign Minister Tengku Ahmad Rithauddeen, now in Tokyo, gave the approval.

The two senior officials My Samedi and (Daok Samol), are visiting Australia as private guests to a nongovernment organization for talks on humanitarian matters. ASEAN officials fear that such contacts can gradually lead to Australia recognizing the Phnom Penh administration in Kampuchea.

In Jakarta, Indonesian Foreign Minister Professor Mokhtar Kusumaatmaja said the visit will lend credibility to the Phnom Penh regime. He points out that whether the two officials are in Australia in private capacity or not, the fact is they are in the country.

In Canberra, the Australian Department of Foreign Affairs has assured ASEAN that the visit to Australia of two senior Kampuchean officials does not indicate any change in Australian policy toward the Heng Samrin regime. A government spokesman said the two Kampucheans are in Australia privately. According to the spokesman, there would be no formal contacts with the Australian Foreign Ministry, although they will hold discussions with officials of the ministry's Aid Bureau.

CSO: 4200/980

NEW CALEDONIA

BRIEFS

MILITARY BUILDUP DETAILED--France's defense minister, Mr Hernu, has said work has begun on improving military installations in New Caledonia. Mr Hernu has returned to Paris from a 2-day visit to New Caledonia. He said the improvements would cost about 40-million dollars over the next 3 years. Work had started on hardening the runway of the Air Base at Tontouta, the airport North of Noumea. Under the plan, the air base will eventually be able to accommodate Jaguar Strike Aircraft. Mr Hernu said talks had begun on buying land for improving Noumea's port, for extending Tontouta and for altering Phoum Camp, where the army is based. The defense minister said the project would increase troop strength from three-thousand to four-thousand-500. Mr Hernu said it had to be emphasized that France had no enemies in the Pacific, but the military boost was necessary to maintain balance in the region. [Text] [Honiara SOLOMON STAR in English 24 May 85 p 5]

RPCR SPOKESMAN ON INDEPENDENCE--The vice-president of the Territorial Government in New Caledonia, Mr Yves Mangier, says the French Territory is not yet ready for independence. However, Mr Mangier said his RPCR Party, which is dominated by white settlers did not rule out eventual independence under a multi-racial and democratic form of government. He told REUTERS News Agency that independence was a possibility in five, ten or 15 years, but it was too soon to talk about independence now. Mr Mangier said white settlers and members of the Wallesian, Asian and Polynesian Communities opposed the pro-independence Kanak party. FLNKS, which he said pursued a policy of intimidation and violence. His party could not work with the FLNKS, he said, because it was racist and wanted independence only for Kanaks and not the rest of the New Caledonian Community. Meanwhile, members of the FLNKS have released ten men they had been holding on a farm at Ponerihousen, on the East coast of the main island. The FLNKS had accused the men of being part of an anti-independence militia, but they were released after negotiations with police. [Text] [Honiara SOLOMON STAR in English 24 May 85 p 5]

CSO: 4200/1004

NEW ZEALAND

EDITORIAL ON NATIONAL PARTY RESTRUCTURE

Auckland THE NEW ZEALAND HERALD in English 11 Apr 85 p 6

[Editorial: "National Party Housekeeping"]

[Text] Political-party organization offers little of interest to the public but is vital to a party's ability to function. The National Party, after a six-month review, has decided to alter its long-standing structure by abolishing the dominion council and replacing it with five divisional councils and a national executive. The move is supposed to make the party more responsive to its members.

Such a measure, though essentially housekeeping, at least suggests to a wider audience a capacity to seek improvement and provides a sign that the party, despite claims by some critics, is not moribund. The party deserves credit for effort, but whether the change will work is anyone's guess. Of itself, the restructuring seems unlikely to make an impact where it really matters--on the voters.

The party's main needs are, first, for the clearest mending of the strained relations between the parliamentary and administrative wings; and, second, for the parliamentary party under its new leadership to stop stumbling down blind alleys and find a coherent approach, with policies that can bring back the alienated. The new framework may be a beginning, but the heart of the matter concerns substance and presentation, and has not yet been properly addressed.

CSO: 4200/962

NEW ZEALAND

UK ADMIRAL: NUCLEAR BAN POSES NO PROBLEMS

Wellington THE EVENING POST in English 19 Apr 85 p 6

[Text]

The Government's anti-nuclear-ship policy has not posed difficulties to continued co-operation between the Royal Navy and the Royal New Zealand Navy.

This was confirmed yesterday by the most senior British officer to visit New Zealand since the change of government, Admiral Sir Simon Cassels.

At a press conference yesterday, Admiral Cassels said the policy "certainly" had not posed difficulties until now. Norway and Denmark, he said, were sensitive on the nuclear-ship issue, and there had been no difficulties with them, either.

The admiral, Britain's Second Sea Lord and chief of naval personnel, said it would be out of place to say more, when asked whether the policy might pose difficulties in future.

But he added that he hoped ship visits would continue "as in the past."

Asked about suggestions that the British might test the policy, Admiral Cassels said he was on official business with New Zealand's chief of naval staff, Rear Admiral Cedric Stewart.

British ministers, he said, had made clear in public "their disappointment with regard to the New Zealand Government position on friendly warship visits.

"The New Zealand Government is aware of the British position," he said.

Royal Navy operational ships, he said, were declared to the North Atlantic Treaty Organisation, which was fundamental to the defence of the United Kingdom.

Earmarked

Those ships were earmarked for particular tasks, and the Royal Navy was entitled to deploy them as it wished "up to the moment Nato says it wants them."

The ships had to be prepared for

whatever their tasks might be, and what they were "stored" for had not been declared since Nato was established in the 1950s.

Asked about capacity for greater co-operation in exercises between the two navies, Admiral Cassels said both navies "had to come a long way" to exercise.

He added, however, the Royal Navy had two ships on station in the Indian Ocean and was likely to have "for some time to come."

"They cannot just sit there waiting for the balloon to go up," he said. The ships should be used and there was "no earthly reason" — if the New Zealand Navy could venture as far as the Indian Ocean — why they could not be put to further use.

The same applied, he said, to Royal Navy ships in Hong Kong.

Admiral Cassels said that, if units of the New Zealand Navy went to the Atlantic or visited the United Kingdom, "we would be delighted to see them."

When all commitments had been met, he could see no reason why the Royal Navy should not indulge in exercises with the New Zealand Navy.

There was a great deal of good-will between the two navies. The speed of New Zealand's help during the "spot of bother in the South Atlantic" — the Falklands — was "uppermost in mind."

Admiral Cassels has had to wait 50 years to return to the country where his mother was born. He left here when not quite eight years old.

He spent his early childhood on his grandfather's farm at the mouth of the Waikato River, and hopes to see more of it at the weekend.

Today, Admiral Cassels will make a brief visit to the Royal New Zealand Navy patrolcraft, Pukaki, and, on Monday, he will visit the Auckland Naval Base. He leaves New Zealand on Tuesday.

NEW ZEALAND

OFFICIAL SAYS CER 'NOT UNDERSTOOD' IN AUSTRALIA

Wellington THE EVENING POST in English 18 Apr 85 p 11

[Text]

Awareness of CER has lagged behind this country in Australia because companies across the Tasman have looked at New Zealand as "just another market," a visiting Australian CER co-ordinator says.

At a Wellington Chamber of Commerce Council meeting this week, Mr Bill Cummins, Westpac's manager of business development in their global marketing and business development unit in Sydney, said not as many Australian companies had understood and taken on board the concept of CER in the way New Zealand companies had.

He said "yet another awareness programme" was to take place in Australia in May.

Mr Cummins, as CER co-ordinator for Westpac, is meeting with business figures in New Zealand to get some of the latest attitudes in this country to CER and look at the op-

portunities that exist for more joint venture projects between the two countries.

Mr Cummins said awareness of CER may have lagged in Australia because Australian manufacturers had taken the New Zealand market for granted — and worked harder on exports to other areas.

The benefits of CER had not really hit home yet but they would in future, he said.

Explaining the benefits of CER to Australian companies could also have been done better than it has been, he said.

It was wished to see Australian companies more familiar and involved in the New Zealand marketplace, Mr Cummins said.

Business opportunities for New Zealand companies in Australia were very good in specific fields, but the market needs to be carefully looked at, Mr Cummins said.

CSO: 4200/981

NEW ZEALAND

ARTICLE SAYS LOWER UNEMPLOYMENT REFLECTS BUOYANT ECONOMY

Wellington THE EVENING POST in English 18 Apr 85 p 5

[Text] A total of 6170 people were registered as unemployed or on subsidised job schemes in the Wellington labour district at the end of March.

The district office reports there were 3250 on the register, representing 3.28 percent of the district's labour force. This is 1046 fewer than were on the register at the end of March last year.

The decrease of 289 from the February figure is attributed to a continued buoyant labour market and increased business confidence, particularly in clerical and related areas.

The department also reports an increase in permanent notified job vacancies. Two thousand were on full-time subsidised work and training schemes, and a further 920 were reported in partly subsidised work.

Registered unemployment in the Hutt Valley fell by 14 percent to 1129 for March.

There were 189 fewer people unemployed at the end of March than the previous month (1129 compared with 1318).

The greatest reduction was in Lower Hutt where there was a drop of 102 in registered unemployed for the period. There was a drop of 27 in Upper Hutt, 19 in Wainuiomata and 41 in Petone.

There was an overall drop of 102 females registered as unemployed and 87 males. In Lower Hutt there were 58 fewer males registered unemployed and 44 fewer females. However, in Upper Hutt the male figure rose by nine and the female fell by 36.

There were 570 people employed in the Hutt Valley in public sector job creation programmes at the end of March, compared with 539 for the previous month.

Long term unemployed fell in the month from 158 at the end of February to

73 at the end of March. Unemployment among school leavers has also been falling in recent months. At the end of January there were 215 school leavers registered as unemployed, 168 at the end of February, and 73 at the end of March.

There were 1338 inquiries with the Lower Hutt and Upper Hutt district offices of the Labour Department's job self-service programmes, and 325 people were placed in work. Overall 523 people got jobs through the department in the Hutt Valley in March. There are currently 75 people participating in the Steps programme in the Hutt Valley.

Nationally, more than 88,000 people were unemployed or on special work programmes at the end of March.

A total of 50,928 were registered as out of work according to figures from the Secretary of Labour, compared with 57,712 the previous month, down 6784.

The March figure represented 3.8 percent of the estimated work force.

There were also 16,842 people on partly subsidised job creation programmes and 20,720 on fully subsidised work programmes. There was a drop of 11,006 of those on partly subsidised job creation programmes. A total of 10,669 of them were vacation workers.

Auckland and Christchurch also recorded large drops in the number of registered unemployed compared with the previous month. Auckland dropped 1015 to 8389 while in Christchurch there were 873 fewer out of work at 6575.

The Minister of Employment, Mr Burke, said he was delighted with the latest employment statistics.

Improved

The improved situation had put the Government in a position where it could consider some minor modifications to existing subsidised employment and train-

ing schemes. They could be announced shortly, he said in a statement.

While some of the fall could be attributed to seasonal factors, the increase in recent economic activity was a far more significant contributor. The number of registered unemployed now stood at more than 17,000 fewer than at the same time last year, he said.

He was also pleased at improvements in the numbers of long term unemployed and school leavers. He warned against any complacency, however. Whangarei, Rotorua and Gisborne were all above the national unemployment levels.

Mr Burke said he was growing more concerned at the number of jobs going begging because there appeared to be an acute shortage of skills in some industries. He said he hoped to announce details of some new pilot projects by the middle of the year. They were long term programmes in response to the employment promotion conference.

Registered unemployed excluding vacation workers at the end of March:

Whangarei	2937 (2920)	6.0pc
Takapuna	1171 (1414)	1.7pc
Auckland	8389 (9285)	4.6pc
Manukau	4573 (5360)	4.2pc
Hamilton	4422 (4884)	4.0pc
Tauranga	1171 (1325)	4.1pc
Rotorua	3543 (3920)	6.0pc
Gisborne	1063 (1136)	5.7pc
Napier	1117 (1362)	4.1pc
Hastings	833 (1165)	3.0pc
New Plymouth	1153 (1258)	2.0pc
Wanganui	1214 (1347)	3.9pc
Palmerston North	2253 (2313)	3.9pc
Masterton	643 (658)	3.5pc
Hutt Valley	1129 (1318)	1.9pc
Wellington	3250 (3539)	3.3pc
Blenheim	431 (502)	3.1pc
Nelson	483 (966)	1.8pc
Greymouth	505 (673)	4.5pc
Christchurch	6575 (7204)	4.2pc
Timaru	759 (790)	3.3pc
Dunedin	2481 (2635)	3.4pc
Invercargill	743 (841)	1.6pc
New Zealand		50,920 (57,712) 3.8pc

CSO: 4200/981

NEW ZEALAND

FINANCE MINISTER SEES HARDER TIMES THAN FIRST FORECAST

Auckland THE NEW ZEALAND HERALD in English 11 Apr 85 p 1

[Text]

The Government is now forecasting an economic squeeze in the next 12 months which will be much tighter than previously disclosed.

The Minister of Finance, Mr Douglas, in a speech prepared for delivery to German bankers in Frankfurt early today, says real private incomes, after allowing for inflation, will fall by 6 per cent in the financial year just begun.

This is more than twice the estimated 2.8 per cent fall in real after-tax personal income forecast only last month by the Reserve Bank.

The Institute of Economic Research has been predicting a fall of only 3.1 per cent.

Still Valid

All three forecasts agree that the boom which has seen the New Zealand economy grow at a rate among the fastest in the world in the past year will come to a sharp end shortly.

But until now, the extent of the reversal appears to have been under-estimated in public.

A Treasury official in Wellington confirmed last night that the 6 per cent forecast was actually made by the Treasury in Decem-

ber, and was still valid.

For most people, the cut in real income would not be quite that bad — about 4 per cent, reflecting an expected 1985-86 wage round of only 5.5 per cent compared with inflation at 8.3 per cent, with most people also paying more in Government charges and getting less back in tax rebates for life insurances and other items.

Farmers

However, for farmers the reversal will be dramatic.

The Treasury says that farmers' real after-tax incomes were up by 40 per cent in the year just ended, partly because they bought their inputs at pre-devaluation prices last year and sold their products at a windfall post-devaluation profit.

But, because they pay tax a year after they earn their income, their after-tax incomes in 1985-86 will be back down by the same whopping 40 per cent.

Mr Douglas also revealed in Frankfurt that consumer spending was expected to

fall by 2 per cent in the coming year.

Pessimistic

This is less than the forecast 6 per cent fall in after-tax incomes because people are expected to go on a spending spree before prices are raised by the goods and services tax on April 1 next year.

But it is, again, slightly more pessimistic than forecasts by both the Reserve Bank and the Institute of Economic Research, which see consumption falling by only 1.2 to 1.3 per cent.

The Treasury also forecasts a 6 per cent fall in real fixed investment, compared with falls of 4.4 to 4.5 per cent forecast by the bank and the institute.

Firm Rein

In this case, the major reason is the decline in spending on the major projects, as the Marsden Pt, Motunui and Glenbrook expansion projects all near completion.

Excluding these projects, other capital spending is forecast to stay about the same as in the past year.

Lower housing construction and car sales are expected to be offset by slightly higher spending on plant and machinery and Government projects.

Mr Douglas made it clear to the German bankers that the economic squeeze was the result of a deliberate policy of cutting the budget deficit and keeping a firm rein on the money supply.

The budget deficit would be cut from 9 per cent of the gross domestic product in 1983-84 to 3.3 per cent this year, while the deficit on the balance of payments would be halved from 6 to 3 per cent.

Growth Rate

He said the former Prime Minister, Sir Robert Muldoon, had let the deficits balloon alarmingly by cutting taxes in his 1982 budget.

This had helped to pro-

duce an economic growth rate of 7.5 per cent in the year to last September — a rate even higher than the 6.1 per cent growth in the United States at that time.

But the Labour Government had decided to take a medium-term view and solve problems, rather than putting them off.

Decisive

"The pace of change since we took office has been rapid by international standards, but it has not been in conflict with the New Zealand public," Mr Douglas said.

"There is a widespread belief that the time for gradualism is over and decisive action is necessary."

Mr Douglas is making his first visit to Europe as a Minister of Finance and will attend his first meeting of finance ministers of the Organisation for Economic Co-operation and Development in Paris later today.

CSO: 4200/962

NEW ZEALAND

FINANCE MINISTER BRIEFS OECD ON FLEXIBILITY IN ECONOMIC STRATEGY

Auckland THE NEW ZEALAND HERALD in English 13 Apr 85 p 5

[Text] NZPA, Paris--New Zealand's new economic strategy aims at flexibility and does not come from any particular doctrine, the Minister of Finance, Mr Douglas, said yesterday.

Outlining a wide range of policy decisions which he said reinforced each other, Mr Douglas told Organisation for Economic Co-operation and Development ministers:

"We have not adopted this approach out of attachment to any particular doctrine.

"We simply recognised that we had to increase flexibility if we are to make the adjustments required of us without massive losses of output and employment."

New Approach

He said it "might appear strange to some of you to see a New Zealand Labour Government adopting this approach rather than relying on extensive direct intervention and active demand management.

"This approach has been tried in New Zealand and produced one of the worst, if not the worst, overall economic performance in the OECD area."

Mr Douglas' speech ... selected by the organisation to follow immediately after a major discussion was opened by the United States ... picked up the theme of the importance of "structural adjustment."

He said that in implementing a "programme of positive adjustment" it was

not enough to have stable anti-inflationary monetary and fiscal policies.

Risk

"These policies need to be supported by measures which increase productivity and flexibility in both private markets and the public sector.

"The less flexible the economy, the greater must be the risk of large output and employment losses before inflation is brought under control."

Mr Douglas said the Government strongly held the view that orthodox monetary and fiscal policies would not by themselves be sufficient to ensure the full growth potential of the economy was realised.

"Sound fiscal policy is much more than merely cutting expenditure or raising revenue to reduce the deficit.

"For example, in reducing the fiscal deficit we have increased charges for public goods and services to reflect their true economic costs.

"This ensures that consumers of these services are getting the right price signals.

Social Welfare

"We have removed subsidies to farmers and other

producers. This ensures they are producing what the market wants, rather than producing what the Government is telling them it wants through its pattern of subsidies."

He said the Government had also started to improve the targeting of social welfare expenditure and "introduced a large number of measures to improve the efficiency and flexibility of the public sector by providing the right incentives for public sector managers."

They included measures which would shift state-owned trading enterprises into a more commercial environment.

The same considerations were driving tax reform, he said.

Mr Douglas noted one intended move to review business taxes, so ensuring business operations were motivated by economic considerations rather than tax advantages.

"These changes to the tax system will reinforce the movement of capital away from highly subsidised areas of the economy or areas of tax advantage into income-producing, employment-related growth areas."

He said many of the measures taken to liberalise

financial markets "will not only give us the means to achieve more effective monetary control but will also improve the efficiency of the financial sector and provide much better market price signals than any patchwork of controls or subsidies could."

Trade

A significant difference from many other countries was that New Zealand had also made considerable progress towards trade liberalisation.

"This has been possible through the introduction of a more realistic and flexible exchange-rate regime which enabled us to speed up the import liberalisation programme initiated by the previous Government," he said.

Mr Douglas added: "The transition towards a less accommodating and more liberal environment is likely to be more difficult if it is protracted.

"It was the view of the Government that unless we could make reasonably rapid progress in implementing the major components of our strategy, it would be difficult to build confidence that the Government's actions represent a decisive break with the past."

NEW ZEALAND

EXPERT WARNS ECONOMIC POLICY WILL PROMPT 'CRISIS'

Wellington THE EVENING POST in English 20 Apr 85 p 1

[Article by Lynne Walsh]

[Text]

WESTPORT, Today.

— The economic direction the Government was heading in would result in a crisis where living standards crumbled and unemployment rose, said Public Service Association economist, Mr Peter Harris.

Speaking this afternoon to the Labour Party's Northern South Island Regional Conference in Westport, Mr Harris criticised the more-market approach of the Government and its moves towards indirect taxation.

Mr Harris said the crisis will come as a consequence of the inter-connection of all the Government's initiatives. However, if there was one single aspect that would provoke the biggest and most dramatic shift of economic fortune, it was the Government's reliance on its monetary policy as the device to control inflation.

"For those who think that this pain is worth it in the fight against inflation, I would point to the fact that consumer prices rose by 4.4 percent in the March quarter of this year.

"Last year the Government told us that its monetary policies would start to bite by the middle of 1985

and as a result consumer prices would rise by only 1.5 percent in the June quarter of this year."

Mr Harris said he would lay a \$100 bet with any of the finance ministers present that the 1.5 percent inflation rate predicted for this quarter would not be matched or bettered.

Mr Harris said he thought the Government was trying to close the deficit too quickly.

Criticising the more-market approach and the consequences of deregulation Mr Harris said the experience from around the world was that deregulation meant rationalisation. Rationalise was a bad word for workers. It meant the sack.

Question

Workers also needed to question the emphasis that was being placed on the export drive. International experience had shown that export-led growth strategies had to be followed by programmes to undermine the living standards of the local community.

Mr Harris said the Labour movement had always adhered to the idea of targeted taxes and universal benefits. He said he was not arguing that be-

cause Labour must always follow that philosophy it must always be right.

"However, my own view is that if we move to a system of universal taxation (the goods and services tax) and to a system of targeted benefits payments we stand Labour principles on their head and introduce some very undesirable consequences into our economy and society."

Mr Harris said the GST was a regressive form of taxation. It collected a greater proportion of the income of lower income groups as tax than it did of high income groups.

Mr Harris said meaningful tax relief and reform of the tax system could be achieved without going to the extremes of imposing a massive price hike on all New Zealand consumers.

Declined

Mr Harris said the company share of the tax burden had declined too far and too many forms of economic reward remained untaxed or undertaxed.

Commenting on the income tax reduction which the Government has promised as a means to ease the burden of the GST, Mr Harris said if the reduction lowered average tax rates at the bottom end of the scale but not at the top then another layer of income related and income rebating tax rebates would be added that would extend further an already extensive and oppressive property trap.

Mr Harris said New Zealand had to move back towards an acceptance that

earned incomes were the primary source of support, and wages should be at adequate levels to enable a decent standard of living.

The deputy Prime Minister, Mr Palmer, today urged conference members to be positive about the party's economic policies, NZPA reported.

Mr Palmer said unions had to be persuaded the proposed goods and services tax would be of benefit to their members.

He told delegates to stop thinking like an opposition and seek constructive solutions to problems.

"A government which is divided against itself cannot succeed."

Mr Palmer said reservations about the GST tended to be grounded on traditional Labour Party ideology.

He suggested the debate surrounding it should be shifted.

"That means that the real question is not how the tax will be levied but what will be done with its proceeds," he said.

There must be an equitable distribution of sacrifice as the Government moves to improve New Zealand's economic position, Labour Party president Ms Margaret Wilson said.

The constant message Ms Wilson said she was receiving was that many people felt the entire burden was falling on the wage and salary earner.

If sacrifices were to be made they should be made by everyone, not just by those who were least able to protect themselves, Ms Wilson said.

NEW ZEALAND

PRIORITY FOR AGRICULTURE URGED IN TRADE TALKS

Auckland THE NEW ZEALAND HERALD in English 13 Apr 85 p 5

[Text]

NZPA

Paris
New Zealand yesterday called for agriculture to be given priority in any new round of trade negotiations at an Organisation for Economic Co-operation and Development ministerial meeting in Paris.

The Minister of Finance, Mr Douglas, said trade in agricultural products was beset by restrictive measures.

"We believe that this sector should receive priority treatment in a new round," he told the 24-nation conference.

Mr Douglas also said that negotiations alone would not be the answer.

"Let us not delude ourselves into thinking that all these problems can be solved in Gatt [General Agreement on Tariffs and

Trade] or any other trade negotiating framework."

The first day of the meeting discussed possibilities for more Gatt negotiations and a mooted multilateral conference which has been dubbed the Brussels round.

Mr Douglas said New Zealand supported and was ready to participate in a new round of trade negotiations.

CSO: 4200/962

NEW ZEALAND

DROP PREDICTED IN FARM SPENDING

Auckland THE NEW ZEALAND HERALD in English 13 Apr 85 p 2

[Text]

Spending on sheep and beef farm maintenance is predicted to plunge during 1985-86 as farmers feel the bite of reduced incomes and higher interest rates.

This means a rundown in the productive capacity of New Zealand's main export industry and, in the longer term, a drop in production.

The Meat and Wool Boards' economic service, in its latest review of the outlook for farming, estimates that the volume of materials bought for vital farm maintenance will drop by 20 per cent.

The fall will result, it says, from a 7.8 per cent drop in farm spending coupled with 15 per cent inflation in prices paid for goods and services.

The most significant decline predicted is in fertiliser use, which is estimated to fall by 22 per cent.

Spending on repairs and maintenance is also expected to fall with lower income. By contrast, spending on interest is predicted to increase as term mortgage interest rates are reviewed upwards.

The economic service forecasts a 10 per cent decline in gross farm income and an 18 per cent fall in the net return.

The director of the service, Mr Neil Taylor, said yesterday that the main reason for the fall in gross income would be lower production of sheepmeats and wool and a \$5-a-head reduction in the lamb return.

The drop in lamb returns would result from the removal of taxpayer support in the form of supplementary minimum price payments, higher killing and processing charges and the part payment by farmers of meat inspection fees.

Mutton prices were also expected to fall, with beef and wool prices remaining about static.

CSO: 4200/962

NEW ZEALAND

WOOL PRICES UP 27 PERCENT OVER LAST SEASON

Auckland THE NEW ZEALAND HERALD in English 13 Apr 85 p 2

[Text]

Despite a few hiccups after the floating of the New Zealand dollar, wool prices are averaging 27 per cent more than last season.

The Wool Board says that to the end of last month the average price for greasy wool in the nine months of the present season was just over 377c a kilogram.

That compares with 296c in the 1983-84 season and 256c in the season before that.

These improvements in the market price have not all been to the benefit of the farmer, who has for some time been paid the 320c a kilogram guaranteed by taxpayer subsidies through the supplementary minimum prices scheme.

The improvement to 377c

this season represents a 17.8 per cent improvement in prices to farmers above the SMP level.

Last month was a testing one for the New Zealand wool market.

The Wool Board said volatile domestic and international exchange rates, a belief that the New Zealand dollar was over-valued in comparison with the United States dollar, and high short-term interest rates meant that the wool trade was reluctant to build up stocks.

The situation altered last month.

A shortfall in new season's wool offerings is a reflection of very large volumes sold earlier in the

season) and a general freeing of funds combined to increase buying pressure and improve prices.

The Wool Board was called on to support prices for mainstream wool types quite heavily early in March, buying as much as 27 per cent of the wool at one sale in Invercargill.

This activity has now tailed off. During March the board bid for 31.5 per cent of the wool offered at auction and actually bought just under 13 per cent.

Its stockpile stood at just under 70,000 bales at the end of the month, a healthy 24,000 bales fewer than it stocked at the start of the season in July.

CSO: 4200/962

PAPUA NEW GUINEA

SOLDIERS DESTROY REBELS' CAMPS

Honiara SOLOMON STAR in English 24 May 85 p 5

[Text]

Papua New Guinea troops have destroyed two camps used by Irian Jaya rebels as bases to attack Indonesian soldiers.

The camps were located east of Bewani on the Papua New Guinea side of the border with Indonesia's Irian Jaya Province.

The Papua New Guinea Defence Force Commander, General Noga, said the operation had been completed and 200 troops and policemen would have been recalled.

He said, however, no rebels had been arrested because all had fled into thick jungle before the troops arrived at the camps.

About 200 rebels were discovered last month during a reconnaissance flight by government officials who saw the rebels armed with rifles and bows and arrows.

A Radio Australia correspondent in Port Moresby said the national security council in Port Moresby was briefed of the operation.

Meanwhile, seven Irianese have been remanded in custody after appearing in a district court in Papua New Guinea.

Four have been charged for entering Papua New Guinea illegally and the other three with threatening behaviour towards local villagers.

In other news, a Papua New Guinea lawyer, Mr Bernard Narokobi has begun to take legal action to stop a joint effort between Papua New Guinea and Indonesia to send the 10,000 refugees back to their homes.

Mr Narokobi was asking the National Court to prevent plans by the Prime Minister, Mr Somare to repatriate the refugees, who are now living in temporary camps just inside the Papua New Guinea's border.

The refugees, mostly tribesmen, began crossing into Papua New Guinea 16 months after fighting between Indonesian troops and separatists in Irian Jaya.

CSO: 4200/1006

PHILIPPINES

CEBU ARCHBISHOP SAYS CHURCH NOT LEFTIST

Cebu City VISAYAN HERALD in English 22 Apr 85 pp 1, 4

[Article by Francis S. Savellon]

[Text] The questions and suspicions raised by some quarters, including the military, on the social action apostolate of the Catholic Church has been described as a "greyish matter" that resulted from misunderstanding the entirety of the situation.

In a broadcast interview, Cebu Archbishop Msgr. Ricardo Vidal, said yesterday that the thrust of evangelization today is aimed at total human development and so the social concerns of the community is being paid attention to by the Church.

Msgr. Vidal pointed out that one of the activities in the social action apostolate is to teach the people to be able to determine by themselves in such a way that they would stand for their rights, and for the truth specially.

In a situation where there is so much repression and harassment, the Cebu Archbishop said such activities of the Church would come into suspicion since the people would suddenly come together and demand for their rights.

Observers during the interview said such response come in the form of mass actions, protest marchers and the like which government authorities particularly the military, suspect as leftist-inspired activities.

Msgr. Vidal commented that such a response could never have happened years before.

He urged the military to understand that the social action apostolate of the Church is an implementation of the mandate of the Holy Father, Pope John Paul II, to pay attention to this part of evangelization of our people. Because human dignity is very important as "we have to be more human to become more of a child of God."

The Cebu Archbishop went on to stress the importance of being human amidst the present situation saying "You cannot be human if you do not know how to be free, and you cannot exercise your freedom if you do not know what is the truth and to pursue the truth in order to defend your dignity."

Msgr. Vidal pointed out again that social action apostolate is a difficult task as this involves uniting the people to participate in activities whereby they can express their need for justice, amidst the injustices being done today.

He urged the government and those who are suspicious of the social action apostolate of the Church to understand that this apostolate is part of the task and the thrust of the Church today.

Here in Cebu, Msgr. Vidal said indications are good that the military is beginning to understand social action.

A religious from Mindanao said the situation is quite different in his area. However, he said that it is amazing how the Church could be so alive in places where injustices are rampant.

To clear up the "greying matter" regarding the Church, Msgr. Vidal called on the government authorities to communicate more with the Church so that a better understanding could be reached, for in the Archbishop's own words, "the government, too, has its own social responsibilities, and, after all, we serve the same people".

CSO: 4200/985

17 June 1985

PHILIPPINES

MALAYA PROFILES LIFE OF NPA 'HOKBO'**Quezon City ANG PAHAYAGANG MALAYA in English 14 Apr 85 p 13****[Article by Cecille Ramirez: "A Young Man's War"]****[Text]**

The guy who walks at the head of the team motions the group to stop. "Yes, they can rest for a while in this hut," he tells our guide.

After half a day's journey, the guy with the lean frame and steady gait breaks his silence and flashes a smile, just about ready to grant our request for an interview.

Luis is 20 years old and had just completed a year of service in the New People's Army. "Hanggang buhay ako, hanggang nariyan ang kaaway, naririto ako," he says. (While I'm still alive, while the enemy is around, I will remain here.)

It is a clipped statement that carries the weight of the choice Luis has embraced since a year ago; the hidden firepower it seems against the superior armed forces of the establishment.

When his unit prepares for offensives, Luis says they mend their way through thick forests and mountainous terrain. Walking time would sometimes stretch for 11 days.

"We survive with the support of the barrio folks. They offer us food and material support. Each of us has at least three shirts and two long pants — most of them provided by the people," he said.

But there are occasions when food is scarce in areas where they pass through. "I have experienced sharing the other

half of my boiled camote with my comrade," Luis recounts.

When there are no military campaigns, Luis's unit joins the propaganda or organizing teams who conduct mass work in the barrios.

The collective, as Luis would often times refer to his group, forms an integral part of his life in the People's Army. "We limber up in the morning for our routine military exercises, learn new revolutionary songs and conduct sharing sessions."

Problems like how Luis could formally establish his relationship with the girl who won his heart are discussed in these sessions with the collective.

Luis says he has not seen the girl, a member of an organizing team in the barrio, for a year now. He communicates with her through letters. It is the same medium by which he gets in touch with his family whom he gets to visit once a year.

Luis explains that the "Hukbo" is required to serve for a year before he can enter into a relationship; and another more year before he can marry.

The young NPA member says he was inspired to join the revolutionary movement "because of the exploitation I see many people experience, as I had, under the system. I see the NPA as the armed force that will destroy the ruling class."

Luis is the youngest in a brood of two girls and three boys. His parents have worked in a sugar plantation for as long as he can remember.

When his mother died, Luis, who was then barely 10 years old, helped in the family upkeep. By this time he had reached the first grade but his schooling had to stop. Luis was hired as a sugarcane cutter for one of the haciendas in sugar-rich Negros province.

"Life was hard. Our wages were not enough even for the food we needed. We worked from seven in the morning to five in the afternoon with mealtimes as our only period for rest. The "cabo" (the landlord's overseer) saw to it that we followed this schedule," narrates Luis.

Luis was first introduced to the revolutionary movement through the youth members of a mass organization in his barrio. He was 18 years old then. After a few months in the organization, Luis became eligible for the armed militia unit in the barrio. He stayed with the militia for a year; after which he was ripe for the New People's Army.

Right now, Luis is concerned with improving his knowhow in reading and writing. "Gustong-gusto kong matuto pa. Natuto akong magbasa at magsulat sa mga kasama rito," (I really want to know more. Comrades here taught me how to read and write.) Luis says.

The NPA fighter steadily holds his M16. It is time to leave.

CSO: 4200/961

PHILIPPINES

DETAINED NPA LEADER INTERVIEWED

Makati MR. & MS. in English 12-18 Apr 85 pp 27-31

[Interview by Ma. Ceres P. Doyo with detained former NPA Commander Bernabe Buscayno: "Why Should the NPA Kill Ninoy?"]

[Text]

RED, Kumander Dante's seven-year-old son was to receive that day, March 29, a medal for being at the top of his class. His father might be allowed to come, or so it was hoped. But the day also happened to be the 16th anniversary of the New People's Army of which Dante (legally known as Bernabe Buscayno) was alleged head at the time of his capture eight years ago.

Dante was captured on Aug. 26, 1976 in Mexico, Pampanga.

In 1977 Dante was sentenced to die by musketry along with the late Aquino and Lt. Victor Corpus for subversion. With Jose Ma. Sison, alleged chairman of the Communist Party of the Philippines, Dante is also charged for rebellion in what is known as the Andrea-Karagatan case which allegedly involved the smuggling of firearms into the country.

Naturally, for the Armed Forces of the Philippines, March 29 was a time for "red alert". Days previous, it had been bannered in newspapers that the military was taking no chances with dissidents during the anniversary. Indeed, as

reports showed days later, the NPA staged dramatic attacks against several military establishments in different parts of the country. The bloody skirmishes cost many lives.

"Ka Dan", as the detained Buscayno has become familiarly called, didn't entertain hopes that he would be able to hang the first honors medal on his boy. But he tried to secure a pass, after all, Camp Crame Grade School which Red attended was just a stone's throw from his prison cell. Permission was denied.

Red left the school program as soon as his mother, Ms. Mila Buscayno had placed the medal around his neck. He had gone home, his Grade 3 teacher kindly informed me. And where is home? Home for Red, she said, is just over there, or didn't I know? Red lives in a prison cell with his father at the Constabulary Security Group building in Camp Crame in Quezon City. Dante is the lone prisoner there and if not for Red's company, he would literally be in solitary confinement.

It was Red I was looking for.

I wanted to ask him a few questions about his father and life within prison walls. How I got to meet his father face to face, interview him and snap a few hazy photos is another story.

Dante was peering through the iron railings when I arrived. Red was by the railings too, but outside, steaming in his crisp barong tagalog and black pants, but minus his medal for he had given it to his father. Red's father and mother were beaming with pride, at the same time happily surprised, shocked even, to find a most unlikely visitor. For how could it be possible?

It didn't take long and the guard came to undo the locks on the prison door. I was in with my paraphernalia.

I thought I'd meet you at the school program, I told Dante. But here I am. He shook his head in disbelief. I introduced myself. He asked how I managed to get in. I told him how. It was after realizing the impossibility of it all that I was thrown into a mild panic. I knew one thing — I wasn't supposed to be in there, for I was neither a military guard nor Dante's next of kin. And not on March the 29th. Don't worry, Dante said with a smile, it is easier to get out than get in. It was hard to believe him.

Close relatives have started to come in. Among his children, only Annie and Red have arrived. The rest — Rebo, Albert (who used to be nicknamed Como), Malaya, May First and STP (Serve the People) — have not arrived yet. STP, it is worth noting, was born Aug. 21 last year, the first anniversary of the assassination of Ninoy Aquino, Dante's fellow death convict. The baby was therefore nicknamed Ninoy at first, but he later became Kaakbay and then STP.

Dante was in a red T-shirt that day, his way of telling his guests he was celebrating. His eldest daughter Annie was also at the top of her high school class in St. Joseph's College where she is a scholar.

It was nearing noontime and the prison cell was getting to be like an oven. Dante had made his cell almost homey but the heat was something else. There was a mattress in one corner and a bed on the other side. The cell had a TV set and a refrigerator — all donated by friends to make his incarceration at least bearable. The approximately 5 x 7 meters square room is adjacent to a small corridor which serves as kitchenette. Prison windows were so high up there was no way anyone in that cell could get a waft of cool air from the outside.

Dante puttered around barefoot, always leaving his slippers and then would go back for them when he remembered. He wanted everything to be just fine for his guests. He was always this way, I was told. As a fighter he would always make himself last during meals, letting his men have their fill first. If he happened to have two shirts he would give away the other to a comrade it is said. The better for both of them to have one each, he would then say.

The interview with Dante was maddening. Every now and then he would rise to see if there was anything at the door. A retired colonel suddenly popped in and everything had to be hastily shoved right under. A prison guard came in to sniff Ms. Buscayno's cooking. Dante apologized for all these distractions and was overly concerned that the interview would go on as it would under normal circumstances. Somehow we managed.

Eight years in prison have not

made Dante a bitter man. He does not conform to the stereotyped image of a fire-spitting rebel with mean, scruffy looks lugging long firearms and a bandolier. He is not the young-man-against-the-world type of which cheap movies are made. (Incidentally, a movie outfit has doggedly pursued his nod for a right to his life story but he has refused.) On the contrary, this once most wanted, alleged dissident leader is soft spoken, clean-cut and well mannered. A little over five feet, Dante would be considered frail by military standards. But to his comrades, as well as to his captors, he is big.

Kumander Dante is in his early 40s, and as far as he is concerned he has lived a full life, though a dangerous one. He has no regrets.

In a brief interview, he talks (in Pilipino prose with the cadence of poetry) about his commitment, his beliefs and his view of the present. Here are excerpts (with translations by J.R. ALIBUTUD):

On the significance of March 29:
Kung may paraan lamang akong makopagaabot sa Bagong Hukbong Bayan (BHB or NPA) babaalin ko sila ng "Isang mapanglusob at matagumpay na ika-16 na anibersaryo" bilang paekilala sa begong anyo o yugtong inabot na ng pakikibaka sa pagpalayo ng bayan. Ipaalaala ko na ang desesibong usepin ngayon ay ang paggapi sa armado at nalalabing suhay ng mapanil, bulok at autocratikong rehimeng Marcos. Ngayon ang pinakamabuting pagkakataon para maisagawa ito.

Hindi ko malimutan ang araw nang muli kong hinawakan at sinasang tabak na ipar matid sa tanikalang nagpupanai. Li si pagkakalupig pagkokabusabos, pagsasamanha at kaatrosaduhan ng bayan. Kung minsan naisip ko ang mga pangayari noon at

ngayon, Ayaw kong maging sentimental pero ako'y napapaluha dahil so nararamdaman kong magkahalang tungkol at tuwa. Ako at iba pa ay nagsimula sa mga póngayaring sinimbulo ng Marso 29 at ngayo'y narito ako sa kulungan, yung iba oy nansawsawi na. Subalit pagkataspos ng lahat hindi naman marahil mauuwí sa kabiguan ang aming pagsisikap noon. Kung sa aking kinulagyan ay hindi ko man naririnig ang putukan ng mga barti, ang mga indikasyon sa araw-araw ay nagsasabing ito'y papalokas at papalpit.

If only there were a way I could communicate with the NPA I would say "An aggressive and triumphant 16th anniversary". This is a new phase in the people's struggle for freedom. The decisive issue here is the defeat of the armed forces of the repressive, rotten and autocratic Marcos regime. Now is the most favorable time to accomplish this.

I am looking forward to the day when I will once more wield the sword that will break the chains of oppression in the country. I don't want to sound sentimental but when I look back on what had happened now and before, I feel like crying from mixed joy and tears.

Some who have started what is symbolized by March 29 are now dead. Others like me, are in prison. But in spite of everything, I think that our efforts will not come to naught.

From where I am now I cannot hear the sounds of rifle fire. Trends indicate that everyday, the movement grows stronger and closer.

On how March 29 is usually celebrated by the NPA: *Batay sa nalalaman ko sa nakaraan, ang nangungunong activity ay ang pag-summarize sa mga nakaraang gawain at karanasan ng hukbong bayan at ang paghanda ng mga panibagong balak ayon sa mga naging karanasan. At siempre, hindi nawawala ang programang pang-anibersaryo lolo na sa mga yunit ng hukbong bayan no karan-*

wa'y sinasalihan ng mamamayan sa lugar.

From what I know, the first activity would be an assessment on the projects of the past year along with other experiences of the people's army. There would also be a planning session for new projects based on the lessons learned. Of course there would be various anniversary programs by the units of the people's army in the countryside which would be usually joined by the residents of the locality.

On the military theory that the NPA killed Aquino: Tingnan mo na lang ito. Si Ninoy ay kanilang ipinahuli, ipinakulong, ipinalitis at pinatawan ng parusang kamatan yan tulad ko at ni Vic Corpus dahil sa napatunayan daw ng Komisyong Likha ni Marcos na kaming tatho'y pawang mataas na miembro ng CPP/NPA. Pagkatapos ngayon sila rin ang nagkakalat na komunista o NPA ang pumatay kay Ninoy. Sa kabutihang palad, nabisto sila ng Agrava Board na nagsabing hindi naman pala si Rolando Galman na kumander daw ng NPA ang bumaril kay Ninoy kundi isang taong malapit kay Ninoy pagbaba niya sa eroplano.

At bakit naman papatayin ng NPA si Ninoy? Sa nalalaman ko batay sa mga mapatnubay na prinsipyo at patakaran ng NPA at sa mga karanasan ko dito, ang NPA ay hindi nanlilinlang sa mamamayan o gumagawa ng dirty tricks gaya ng pagpatay tapos ibibintang sa iba. Lalong hindi estupido ang NPA para umihip sa lusong at siya rin ang mapupuwining.

Sa katotohanan, ako pati na ang mga NPA na nasa larangan ay' may malalim na simpatiya kay Ninoy dahil hindi lamang siya biktima ng kawalang katarungan kundi siya'y kaibigan, iginagalang at minamahal ng masa na silang amin namang pinagmulan, pinagtutuanan ng aming pagkasakit at pinaka-iingatang hindi ma-antagonisa.

Tatanggapin ko, si Ninoy ay naging isang kaibigan, sapagkat di lang minsan, ako at ang aking mga kababaryo at naghini sa kanya ng pagkain, gamot at damit na buong lugod naman niyang ipinagkaloob. Subalit ni mins'a'y hindi siya naging miembro ng CPP o NPA. Katunayan nga'y siya ay isang anti-komunista sa paniniwala na amin namang iginalang tulad ng paggalang niya sa aming paniniwala.

Just look at this. Ninoy Aquino was apprehended, jailed, tried, sentenced to death like me and Vic Corpus reportedly because the Military Commission created by Marcos proved that we three are high up in the CPP/NPA. Now they say that it is the NPA who killed Ninoy. Luckily, the Agrava Board blasted the theory that Rolando Galman was an NPA commander and instead put forth the theory that it was someone close to Ninoy when he got off the plane.

Why should the NPA kill Ninoy? From what I know, based on the principles and policies of the NPA and my experiences there, the NPA does not deceive the citizenry or resort to dirty tricks like assassinating somebody and blaming it on others. We are not that stupid to do anything that would discredit us.

In truth, I along with others in the NPA possess deep sympathy for Ninoy not only because he was a victim of injustice but because he was also a friend, respected and loved by the masses from which we sprung and for whom we dedicate our sufferings.

I admit that Ninoy had been a friend. Many times we had asked him for food, medicine, and clothes and he gave willingly. But not once has he been a member of the CPP or the NPA. The truth is that he is an anti-communist in ideology. But we respect his views the same way he respected ours.

On whether Rosendo Cawigan* was once a member of the NPA:
Sa abot ng aking natatandaan, walang Rosendo Cawigan o Rolando Galman o Kumander Ulupong na kidnapper ni Tommy Manotoc. Walang mga taong gayong pagmumukha, rekord sa buhay at

mga gawain ng mga NPA na oking sinalihan. Hindi patakaran ng NPA na gawing miembro ang mga butangero, holdupper, babaero, drug pusher o mugtatanim ng marijuana at may mgo masemang rekord sa mamamayan. At lalong hindi patakaran ng NPA ang tumanggap ng isang kilalang aheniente ng gobieno. Hindi rin nagkakatutulong-kumander ang turay na NPA.

From what I remember, there was no Rosendo Cawigan or Rolando Galman or Commander Ulupong who kidnapped Tommy Manotoc. There are no people like those in the NPA. It is not NPA policy to recruit goons, holduppers, womanizers, drug pushers, marijuana planters or people who have bad reputations among the masses.

It is more emphatically not NPA policy to recruit a known agent of the government. Also, true NPAs do not have the title of commander.

*Cawigan testified before the Agrava Board that Rolando Galman, Aquino's alleged assassin was an NPA hitman. He claimed he was once a member of the NPA. Cawigan died last year.

On the Convenor's Group, the National Unification Committee and the Alyansa ng Bayan: *Sa palagay ko bistado ng mamamayan yang CG at NUC at di na nating kailangan pog-isapan pa. Sa palagay ko ayos itong Bayan na binubuo ng cause-oriented groups. Bagamat ito'y may balak lumahok sa eleksiyong darating, nagsasa-alang-alang naman ito sa pag sulong ng turay na interes ng bayan. Kumbinsiao ako sa kanikang inilahad na layusin.*

To my mind, the masses know what the CG and the NUC are up to and we do not have to talk about that anymore. But I also think that this newly-formed group, Bayan, is okay because it is composed of cause-oriented groups. Though it has plans of joining the elections, it takes into account the advancement of the true interests of the people. I am convinced by their program of action.

On participation of progressive sectors in the elections: *Palagay ko kalayaan nila ang mag-participate. Kung talagang para sa mamamayan sila at mag-participate sila at matuto at magkaroon ng karanasan dito, lalong mapapagsilibhan nila ang mamamayan batay sa kanilang karanasan. Kung doon nila mapupadaan ang kanilang ambisyong maglingkod.*

Open ako. Kasi hindi mo mapipigilan at palagay ko hindi naman dapat diktohan ang too.

I think that it is their freedom to participate if they want to participate. If they really are for the masses and they participate, they would learn and profit from their experiences. Then they could better serve the people. That is, if that is the way they want to express their desire to serve.

I keep an open mind. It is because people cannot be repressed and I think that they should not be dictated to.

On the coming elections: *Sa tingin ko kung papaaano ang mga nakaraang eleksiyon sa ilalim ni Marcos, gamun din ang mangyayari.*

As I see it, whatever happened in the past elections under Marcos will continue to happen.

On the participation of the bourgeoisie in the protest movements: *Yan oy bagong pangyayari — yong pagkagising at pakikialam ng mga dating hindi naman nukikialom. Nokakatuwa. Malaki ang maitutuong nila sa peg-aabante sa pagpapalaya sa bayan. Noong panahon ng lumang partido, mangilong-ngilang-lang. Nokakagulat ngayon. Isang bagay yung narugay kay Ninoy, ayo?*

That is a new development — the awakening and concern of the apathetic. It's a cheering thought. They have much to contribute to the advancement of the country's liberation. In the time of the traditional parties, very few could be depended upon. But now it is surprising. It was quite a thing that Ninoy caused, wasn't it?

On the religious: *Dati ang Church o*

ang mga religious ay konserbatibo at kontra-rebolusyonaryo. Pero nitong mga nakaraang taon dumami at lumalim ang paglahok ng mga taga-simbahan sa mga pakikibaka ng masa para sa pagbabago. Ngayon, hindi mo lamang sila makikita sa mga rally, picket at kilusang protesta kundi sa mga larangan din. Ang pakikilahok nilo ay mag-transform sa kanila rin. Ang nangyayari sa kanila ngayon ay isang ipapaw sa kasaysayan.

The church and its religious used to be conservative and counter-revolutionary. But during these past years, the clergy's participation in struggle of the masses for change has both expanded and deepened. Now you don't only see them in rallies, pickets, and protest actions but in the hills as well. Their participation will transform them also. What is happening to them is a historical step.

On the women's movement: Sa wakas naririnig na rin ang tinig at na-ererekognisa ang kakahating pumapasan sa bigat ng langit, ika nito. Nokita ko sa diaryo sa front page, nagmemartsa sila, tumatakbo pa yata. Nakakagoplak. Nagkaroon sila ng maliwanag na paninindigan at patutunguhan. Kung tutuusin parang naura ang mga kababaihan sa kanayunan. Marami-rami rin ang mga bobae sa hukbo.

At last the voices of those who bear half the sky's burden, as they say, is being heard and recognized. I saw them marching, even running on the front page of the papers. It is gladdening. They have achieved a clear stand and direction. If you consider it, women were there first in the countryside. We have quite a few women in the movement.

On his family: Si Mila, ang asawa ko, ay hindi goonong na-involve sa aking mga gawain. Pinili niyang manatiling kategoryang maso, simpleng maybahay at ina ng aming mga anak. Iginalang ko ito. Napakadalang ko lamang mabisita ang aking pamilya noon. Ang

pagkakakilala sa aking ng mga anak ko, nialibot itong mga huli, ay uncle ako, hanggang bago ako mahuli. Noong unang ni ayaw humapit et mamiwalang ako ay kanilang ama. Nito na lamang huli sila until-unting napolapit sa akin.

My wife Mila isn't very involved in what I am doing. She chose to be simply one of the masses, a housewife and mother to our children. I respect her decision. I used to see little of my family. My children, except for the youngest ones, knew me as an uncle, right up to when I was caught. At first, they could not believe that I was their father. Only now are they beginning to get close to me.

On his education: Halos tapos lang ako ng high school at isang kursong bakasyonal (steno-typist). Pinagtrabahuhan ko ang aking pag-aaral. Ang elementary ko ay sa Capas Elementary School, tapos sa Burgos Elementary School sa Sta. Mesa, Manila. Ang high school sa MLQUSA sa Maynila, Holy Angel College sa Angeles City at Quiapo Parochial School sa Evangelista, Maynila. Ang bakasyonal ay sa Angeles Vocational Institute. Subalit para sabihin ko sa iyo ang totoo, napakaliit ng natutunan ko sa mga eskuwelahanh iyan kung ikumpara ko sa mga netuturan ko sa larangan ng pakikibaka para sa kolayaan ng bayan.

I had only finished high school and a steno-typing course. I was a working student. In elementary, I was in Capas Elementary school, then I moved on to Burgos Elementary School in Sta. Mesa, Manila. My high school was in Manuel L. Quezon University in Manila, Holy Angel College in Angeles City and at the Quiapo Parochial School in Evangelista Manila. I took my vocational course in Angeles Vocational Institute. If I have to tell you the truth, what I learned in these schools was minuscule compared to what I learned in the hills while fighting for the freedom of the country.

On his plans if he gets released:

Wala ako ni ilusyon man na ako'y kusang palalayain pa ni Marcos o ng kasalukuyang rehimeng. Pero kung halimbawang makalaya ako, puwera biro, ang una kong gagawin oy magbilad sa araw, magtatakbo at lumanghap ng sariwang hangin. Mangyari, halos kasi siyam na taon na akong hindi nasisikatan ng araw, nakakatakbo o nakakalanghap ng sariwang hangin. Kung sa pangmatalang balak ang tinatanong mo, hindi ko pa alam.

I have no illusions of being voluntarily released by either Marcos or the present regime. But just in case, I am freed, joking aside, the first thing I will do is soak in the sun, run and breathe in deeply the fresh air. As it happens it's been almost nine years since I felt the warm rays of the sun or ran, or breathed fresh air. If you are asking for long-term plans, I do not know as yet.

On why he chose to live the dangerous life of a dissident:
Matatawa ka o kaya'y di maniniwala. Noon napakaduwag ko ring tao, napakahina ng loob, mapagtimpli at ni ayaw mapaaway kahit ako'y tama dahil takot akong masaktan o mapasabit sa gulo. Subalit may yugto sa aking buhay na kinailangan kong maglakas loob at magdisisyon. Mapalad ako at di sa masama o anti-sosyal na gawain ako tumapang kundi sa pagiging rebelde laban sa pagsasamantala at panuhupil. Hindi ako natakot mamatay. Sa katotohanan, tatlong ilit na akong tinamaan sa labanan at ngayon naman ay naghihintay ng firing squad. Hindi masisiyan ang magbabaril sa akin dahil hindi ako nangangakingring sa takot. Malaon ko nang napagtibang kung alin ang makabuluhang sa buhay ko. Kung ipapanganak akong muli at sa gayon ding kalagayan ang magisnan ko, tiyak na pagbubuthin ko pa ang aking gagawin at kailan man hindi ko pagsisisihan ito.

You'll either be amused or incredulous. I used to be such a coward, so weak-willed, so patient and I would back down even though I thought I was right because I was afraid of getting hurt or mixed up in trouble.

But there was a period in my life that I needed to be strong-willed and decisive. I was fortunate that I was not caught up in evil or anti-social activities. I gained strength in fighting oppression and repression. I am not afraid to die. In truth I was hit three times in encounters and now the firing squad waits for me. Those who would kill me would find no pleasure for I am not cringing in fear. I have long before come to the conclusion that my life has been meaningful. If I would be born again under the same conditions, I am sure that I would strive to do what I did, better, and have no regrets doing it.

His fearless forecast: *Sa pag-igting ng kalagayan ngayon dahil sa matinding krisis na sumasakmal sa bayan sa ilalim ng rehimeng ito, lumalakas naman ang pagbangon ng mamamayan at palapit tayo sa isang pag-igpaw o makahulugang pagbabago sa bansa. Isa yan sa mga dahilan kung bakit hindi ako nakakaramdam ng inip o buryong sa kulungan. Batay sa pangyayari nitong tatlong taong nakaraan ang pagbabago. Bulok na bulok na ang gobierno ni Marcos, lantad na ang kawalanhiyaan. Marami nang kumikilos. Kung magbibigay ako ng kalkulasyon, mga lima hanggang sampung taong, magkakaroon na ng pagbabago.*

With the worsening of the situation due to the intensifying crisis which engulfs the nation, we are now closer to radical and meaningful changes as the movement among the masses grows stronger.

That is one of the reasons why I don't feel bored and restless in jail. Based on the events of the past three years, the Marcos government is now rotten to the core, its viciousness is obvious. The movement is growing stronger. I would calculate that in five to ten years time, there would be a revolutionary change.

17 June 1985

PHILIPPINES

CAGAYAN GOVERNOR LASHES OUT AT NPA

Manila BULLETIN TODAY in English 12 Apr 85 p 16

[Article by Ellen C. Gallardo]

[Text]

TUGUEGARAO, Cagayan — "We do anything, everything, to answer the issues and charges against the government but the terrorists are never pleased. They always have issues against the military and civilian government."

Gov. Justiniano P. Cortez made this observation in answer to charges of the New People's Army (NPA) against alleged military abuses and failures of the civilian government to help the poor in Cagayan.

The former appellate court justice said Cagayanons, especially those in remote barangays, are being forced by the NPA to give shelter, food, and taxes.

"In the national endeavor to eradicate lawlessness and insurgency, we cannot blame any particular government agency for the problem," he said.

Cortez said every town in Cagayan undertakes civic action as often as possible in response to the people's complaints against the government. This is done in coordination with the military, he added.

He reported that the latest civic action was held in Nambutan, Sola-na, Cagayan where the government and military medical personnel served more than 500 residents of five barangays who were given free medical and dental

services. Through the project, new school buildings, basketball, and volleyball courts were also constructed.

Cortez said problems cannot be solved instantly but under his leadership, all problems brought to his attention are acted upon immediately.

The former justice said if the rebels are sincere in helping the poor, they should come down and help the government.

"If it is their desire that I get out as governor, then they should tell me. I would resign provided they stop the bloody ambushes and join us in helping the poor," he said.

On alleged military abuses, he said that if there is any proof of misbehavior or abuses by military men, proper complaints must be filed with his office.

Cortez said he was assured by provincial and regional commanders of speedy investigation of complaints from anyone.

Meanwhile, Cortez, reechoed the call of Defense Minister Juan Ponce Enrile to all the local and provincial officials of Cagayan who were urged to fight the insurgents or the enemies of the government not only through arms but also through meaningful public service.

Cortez urged the local officials to go to the grassroots and serve the people by bringing the Government to them.

The former justice, who travels alone unescorted up to the remotest barrios and towns of the province, was able to convince about 200 rebels to return to the fold of the law last year.

CSO: 4200/961

PHILIPPINES

EDITORIAL CONTRASTS CORRUPTION, LOYALTY TO PRESIDENT

Manila BULLETIN TODAY in English 12 Apr 85 p 6

[Editorial: "Loyalty"]

[Text]

LOYALTY to the President and the administration can be most effectively expressed by the public officers occupying positions of responsibility by complying with the requirements of public service. If a public officer professes his loyalty to the administration but betrays the public trust, he is an embarrassment and a liability.

The triteness of the observation does not detract from its value at this time. The economic recovery program needs the cooperation of all. The whole burden of leadership does not lie on the President's shoulders alone. He depends to a great degree on other high government authorities. Should the administration leaders act contrary to public expectation, their acts

would embarrass the President at a time when he is most in need of constructive assistance.

Public expectations have been raised to a new level by the abnormal economic circumstances. Obviously, they should be matched by higher standards of public service. If public expectations are met, some psychological barriers to close cooperation demanded by the recovery program will be gone.

It is easy to profess loyalty, but whether loyalty can be manifested in service remains to be tested. Scandals here and there reported by the media tend to show that the requirements of loyalty to the appointing power are not sometimes satisfactorily met.

PHILIPPINES

OUSTED PAMPANGA GOVERNOR QUILTS KBL

Quezon City ANG PAHAYAGANG MALAYA in English 12 Apr 85 pp 1, 2

[Article by Sonny Lopez]

[Text]

SAN FERNANDO, Pampanga — Ousted Gov. Cicero J. Punsalan yesterday resigned from the Kilusang Bagong Lipunan (KBL), saying the ruling party has become "an instrument of oppression."

Mincing no words on his bitterness towards the KBL and Justice Minister Estelito Mendoza, who reassumed the governorship of the province last Jan. 10, Punsalan said he will now work closely with the political oppo-

sition "to fight for a cause that dig deep into the workability of our democratic system."

The KBL, Punsalan said, has denied him "fairness and justice." Top party leader Mendoza, who ousted him from office, "is a Minister of Justice who is a perpetrator of injustice," he said.

Punsalan's normally steady voice cracked when he read his resignation letter to newsmen,

indicating his bitterness towards the KBL leaders who refused to support him when Mendoza allegedly "forced him out of office."

A case filed by Punsalan to have Mendoza's governorship declared as illegal is now with the Supreme Court.

In his letter to KBL secretary-general Jose Rono, Punsalan decried the Jan. 10 "siege" of the provincial capitol when armed guards helped Mendoza take over the governorship.

"When soldiers who should protect the rights of the people trample upon such rights, when a justice minister becomes the prime instrument in the commission of injustice, when armed soldiers can unseat a provincial governor with impunity, we can only guess where we are heading," Pun-

salan said.

With the takeover of the capitol by Mendoza, Punsalan said his stay in the party was no longer "tenable."

Punsalan said Mendoza should go back to Manila and leave Pampanga.

"Since he came back to the governorship, Pampanga was rocked by the inroads of insurgency and a spiralling crime rate," Punsalan said.

The rising insurgency problem was one of the reasons cited by Mendoza when he reassumed the governorship.

Punsalan also denied reports that he has been receiving the salary of a vice governor. "That rightfully belongs to Robin Nepomuceno," he said.

Nepomuceno became vice governor when Punsalan assumed the governorship.

Punsalan said he and his wife had been offered money and business propositions to call off his court case.

CSO: 4200/961

PHILIPPINES

COLUMNIST URGES REFORMS TO MEET INSURGENCY THREAT

Quezon City ANG PAHAYAGANG MALAYA in English 12 Apr 85 p 4

[Article by Vic Barranco in the "Town Crier" column: "Only Reforms Can Beat Insurgency"]

[Text]

The impasse on the 1986 US military aid to the Philippines for defeating communist insurgency is frustrating to President Marcos who is now pressed on all sides by many problems. The breaking of this stalemate rests on certain conditions and circumstances obtaining here which neither the US government nor the Marcos regime has yet evaluated satisfactorily. How serious is the so-called communist menace in the Philippines? Military experts on both ends of the bargaining line, Malacanang and Washington, point to the extent of the menace statistically, that is, by referring to the estimated size and number of communist armed guerrillas at between 12,000 and 15,000 NPAs. The most generous estimate is clear even to a college student that it is much smaller than the usual crowd at a national basketball championship series. This size could not bother Presidents Roxas, Quirino and Magsaysay in their times, when they

had to cope with half a million Huks.

But even without any US aid in cash dollars, the three Presidents who served successively from 1946 till the early '50s when the Huk overthrow of the constituted government was imminent, Roxas, Quirino and Magsaysay saved the country from being overpowered by the Reds. Our presidents then depended on JUSMAG sincerity and logistics; but the strongest factors of the government's triumph then were the reforms instituted in the administration which satisfied the desire of the people for basic needs to maintain a life of dignity, of freedom, justice and equality, security and peace in their remote rural huts, and a strong democratic structure of rule. There were less laws, rules and regulations, and Roxas, Quirino, and Magsaysay showed to all the world that a nation can be better governed with less laws than a surfeit of them.

The Reagan government is still holding out on the \$100-million mili-

tary assistance intended for counter-insurgency drive in the Philippines. This amount has been proposed in the 1986 US federal budget. Some members of US Congress believe this sum is too big to entrust to a troubled government of one man. The sum may be slashed drastically to \$25 million only. But even if it is approved intact, as originally proposed, it is still to be released by the American President. There is yet a labyrinth it has to pass through. Reagan's attitude may have been reflected in a recent public statement of Stephen Solarz of the Asia Subcommittee of US Congress appropriations body. Solarz objected strongly to the cash aid to the Philippines on the grounds that "Marcos has not done enough to encourage economic, political, and military reforms Reagan officials had been urging" the Philippines to make.

If Mr. Ferdinand Marcos has to institute the military political and economic reforms that the US government, let alone the World Bank/

IMF, the Vatican, and our great allies in the free world want him to do, he will have to effect a total reorganization of the government, and this will mean for Mr. Marcos irreparable loss of opportunities and muscle to realize his fondest dream of establishing a family dynasty.

Can this Philippine regime be trusted to fulfill its own part of the cash assistance bargain?

Charles W. Greenleaf, assistant administrator of the Agency for International Development (AID) told a US Congress committee recently:

"Some Philippine observers have suggested that all our development assistance should be channeled entirely through non-government organizations, such as voluntary agencies and church groups."

In fact, America is doing a lot with these groups already. Some White House journalists said that Reagan does not trust any head of state below 70. We are prone to believe Reagan has this attitude for dictators only.

CSO: 4200/961

PHILIPPINES

COLUMNIST CITES PEASANT HATRED OF ARMED FORCES

Manila BULLETIN TODAY in English 13 Apr 85 p 6

[Commentary by Jesus Bigornia: "Why Military Is Vulnerable to Ambushes"]

[Text]

VULNERABLE. ITY of military units in the field is as unthinkable as it is unacceptable. The regularity of ambushes pulled off and raids perpetrated by the communist-oriented New People's Army (NPA) claiming the lives of officers and men of the Armed Forces of the Philippines (AFP) is appalling. Continued personnel losses are becoming intolerable. They are symptomatic of a serious breakdown in the military intelligence network. Remedies short of draconic measures must be adopted to counter what appears to be deteriorating situation.

* * *

At the root of the problem, in the eyes of detached observers, is the absence of cooperation between the military and the civilian population. While the uniformed man sees himself as the champion of the people and, therefore, entitled to apprehension and material support, he is now perceived by the people he is supposed to protect as the enemy to fear and avoid, not one to assist, because of his abuses. On the other hand, the supposed enemy -- through propaganda and application of swift, if vengeful, justice -- befriends the rural folk.

When NPA "scouts" arrive at a hinterland community "to case the joint" as it were or to reconnoiter the terrain for a future ambuscade, they pay the poor peasants for the food they eat and supplies they need, reports from the communists claim. Because they cause no harm or injury while administering swift and terrible justice to the bad eggs of the community, they are sheltered and protected. Arrival of the main band is likewise welcomed. Neither the presence of scouts or the arrival of the ambushers are reported to the military. Woe to the government soldiers driving or walking into the trap.

* * *

The situation has not reached the point of irreversibility. The Filipino peasant is not one to bear grudges over long periods of time. Respect for his person and his rights, if not kindness and a show of consideration, can go a long way to bringing him over to the side of government. Despite his vulnerability to reprisals from the rebels, he can, in the long run, be persuaded that his best interests lie in supporting the government. It may be a long and tedious haul for the short-sighted military. But military thinkers may yet see the light and change course...now.

CSO: 4200/961

PHILIPPINES

TYCOON'S 'ACQUISITION BINGE' OF FLOUNDERING FIRMS

Manila BULLETIN TODAY in English 13 Apr 85 p 21

[Article by Loreto Cabanes: "Tycoon Gokongwei Is on an Acquisition Binge"]

[Text]

Business tycoon John Gokongwei Jr. is on an acquisition binge of floundering companies which to him are priced *barato* (cheap) but even with substantial resources at his disposal he is very selective on which assets to pick on.

In an interview, Gokongwei said he is continually looking for companies to acquire, new projects to finance, and new products to launch.

He admitted that he bid for the holdings of Development Bank of the Philippines in Baguio Leisure Corporation, which owns the Hyatt Terraces in Baguio City but was not successful.

He also confirmed that he offered to buy from the DBP the remaining assets of Riverside Mills Corporation in Rosario, Pasig, which used to be owned by the Tan-chi family.

But he denied having made any

offer to buy the DBP holdings in Associated Bank which was also for sale.

The DBP said it was willing to dispose of its shareholdings in Associated at no less than ₱550 million.

Gokongwei said that he already has substantial interest in banking, being a big stockholder in Far East Bank and Trust Company where he is entitled to three directors and a controlling stockholder in Asia Savings Bank where the Soriano-owned Anasor Finance is his partner.

A highly successful businessman who personally runs his companies, Gokongwei is reported to be carrying a lot of financial clout since he disposed of his shareholdings in San Miguel Corporation at a peak price of ₱33 per share two years ago. The transaction netted him at least ₱190 million.

His hotel, Manila Midtown, is the only hotel account of the DBP among the new hotels constructed in 1976 that is up-to-date in the payment of its amortizations on both principal and interest.

Asked if it was true that he was negotiating for Hilton Hotels International to manage his hotel, he quipped: "Why should I when I could manage my own hotel better than they?"

In view of the reported rift between the Delgado Brothers, which owns the Hilton, and Hilton International, the latter is reportedly considering giving up its management agreement with the Manila Hilton.

Aside from hotels, Gokongwei is involved in poultry, food manufacturing, textiles, ice cream, shopping centers and real estate.

Starting his business from Cebu, Gokongwei shot to

prominence in the business community when he tried three times during the 1970s to get himself elected as director of San Miguel Corp. Due to the strong opposition mounted by the Soriano group to block his entry on the ground that he was engaged in businesses in competition with those of San Miguel, his attempts failed.

But his campaign for reforms in management paid off when SMC management granted most of his demands for the benefit of all SMC stockholders.

Later on, he was invited to become a director of SMC Hong Kong, a subsidiary of SMC, a position which he holds until now.

PHILIPPINES

CLERGY DENOUNCES 'TERRORISTIC' AGUSAN CHDF

Quezon City ANG PAHAYAGANG MALAYA in English 14 Apr 85 p 6

[Text]

BUTUAN CITY — Some 25 priests and nuns have denounced what they called the "terroristic and savage acts" inflicted by the Integrated Civilian Home Defense Force (ICHDF) members among the tribal communities of San Luis, Agusan del Sur.

It added that violent incidents perpetrated by the ICHDF have caused the residents to vacate barangay Dona Flavia (Kalilid) and the neighboring sitios and barangays.

The religious sector made the denunciation in an open letter circulated here. It was also given to Lt. Col. Alexander Noble, commanding officer of the 23rd IB PA stationed in Bayugan last March 26.

In the letter, the religious demanded the disbandment of the ICHDF and the immediate investigation

Manpatilan is also known among the tribes of the Maasam area as ICHDF chief and president of the Integrated Tribal Leaders' Association of Agusan del Sur and Agusan del Norte.

Arms, the report said, have been issued to a group of Banwaon Manobos in barangay Mahagsay, San Luis under the leadership of brothers Dalan and Atong Odayao without the knowledge and consent of the barangay captain who is also the Supreme Datu of Mahag-

say. These two brothers are very active in the ICHDF recruitment campaign, the report claimed.

The report cited alleged abuses committed by the ICHDF in San Luis, Agusan del Sur:

- Some 40 elements of 23rd IB PA Bravo Company under Lt. Gerry Diamante and ICHDF members arrived in barangay Dimaslang on Sept. 8, 1984 and asked the residents of the whereabouts of New People's Army (NPA) men. Not receiving any

and prosecution of all the ICHDF men allegedly involved in the abuses.

The religious accused some ICHDF members belonging to the Philippine Assistance for National Minorities (PANAMIN) under vice mayor Lavi Manpatilan of Esperanza, Agusan del Sur of committing the "outrageous crimes" which has caused the mass evacuation of some 170 families from the seven tribal communities of San Luis.

In a documented report attached to the letter, the religious said that the ICHDF-PANAMIN group of the vice mayor, which is now operating beyond Esperanza, has been on an intensive recruitment campaign for local armed ICHDF.

satisfactory answer, an ICHDF man got mad and hit his foot with his own gun. He then started strafing the houses, along with other ICHDFs and killed a resident, Sergio Perez, 54, married, and seriously wounded two other residents, Natciso Nembrano and Pedro Batao.

- A carabao logger identified only as Arnold was picked up from his house in Mahagsay and later killed by the ICHDF group led by Dalan and Atong Odayao last Dec. 24. A month later, they tied and tortured four natives of barangay Laniga.

- A group of heavily armed men, reported to be NPAs, killed Atong Odayao when he and other ICHDFs refused to give their arms and started firing last Jan. 28. Two civilians were killed and three others wounded in

the shoot-out.

- Last Feb. 3, the decomposing body of Felicisimo Robles, a contractual worker of Angtlongco Co. from Davao, an affiliate of Kalilid Wood Industries, was found tied to a tree in Kilometer 31 near Mahagsay. His body bore bullet and stab wounds, with the head almost severed. He reportedly disappeared on Jan. 27, and was last seen with the Odayao brothers.

- A combined group of 23rd IB PA under 1st Lt. De Hita and the PANAMIN ICHDFs of Lavi Manpatilan operating in barangays Cecilia, Mahapag and Santiago reportedly burned the house of a suspected NPA member, mauled 12 residents and looted goods in a store, chicken and eggs. Residents were reportedly threatened that they would burn the houses, rape the women,

kill the barangay captain of Mahapag or kill them all if they could not produce the NPAs.

* Some five ICHDFs headed by Dalan Odayao brutally killed Leoncio Daymel, Panfilo Asaytana and Panfilo Catibag who were logging in the forest of sitio Bitinan, Santa Rita last March 4. The ICHDFs reportedly cut up the feet, arms and stomach of the three civilians; then fled bearing with them the chainsaw, watch, bolo, pot and other belongings of the victims.

* A group of ICHDF coming from Segunda, Esperanza raided and strafed the houses of barangay Sta. Rita last March 21. Wounded was Bebot Layson, single. One Bugoy Precioso was hogtied and mauled by the ICHDFs while others were interrogated as to the presence of NPAs in the barrio. Two residents, Abap Perez and Ariel Mandombuang, a student, were arrested by the ICHDFs. They also looted the chicken, cigarettes, clothes, money and other belongings of the residents.

CSO: 4200/961

PHILIPPINES

INTERWOVEN KBL, OPPOSITION INTERESTS IN NUEVA ECIJA EXAMINED

Quezon City VERITAS in English 14 Apr 85 pp 12, 13

[Article by Efren L. Danao: "Rough Sailing in Nueva Ecija"]

[Text]

POLITICS is the arena of interests and personalities. These two factors generally spell the difference between victory and defeat in elections. A platform and party machinery may be of some consequence in sophisticated areas but not so much in rural areas. Parties are generally merely vehicles of convenience used by some politicians through which they could run for public office. The parties' main importance lies only in the provision for election inspectors where they are the dominant party or the dominant opposition party.

Nowhere is this truism in politics more vividly depicted than in Nueva Ecija where opposition and Kilusang Bagong Lipunan (KBL) groups are so intimately interwoven that they are almost indistinguishable.

Gov. Eduardo Joson, who has held power since 1959 and is the KBL provincial chairman, has been accused by some party members of favoring opposition men during the last elections and of allegedly persecuting KBL men who are loyal to President Marcos. Joson was a Liberal until martial law was declared and the President formed the KBL.

In the 1965 presidential elections, Joson campaigned for Diosdado Macapagal against Mr. Marcos. In 1969, he supported Sergio Osmeña Jr. against the

President. In both instances, Marcos won in the province.

The President's campaigns in 1965 and 1969 in Nueva Ecija were handled by then Rep. Angel Concepcion, the Nacionalista Party provincial chairman, with the assistance of Rep. Leopoldo Diaz of the first district. Diaz and Concepcion were thrown into the company of Joson after Joson joined the KBL. Although the two agreed that Joson be named the KBL chairman in Nueva Ecija, bad blood between them persisted.

In the 1980 local elections, Joson supported non-KBL candidates in Palayan City and Cabanatuan City where the official KBL candidates were Concepcion's leaders. When Joson drew up the party ticket for the May 14 Batasan election, he initially excluded Concepcion and Diaz although the two were then members of the Interim Batasang Pambansa. The KBL national directorate, however, directed the fielding of Concepcion as official party candidate. Joson couldn't be persuaded to take in Diaz so Diaz ran as independent KBL.

Concepcion said that Joson never hid his dislike for him (Concepcion) even when they were both on the same stage during the campaign. He recalled that during a campaign in Jaen town, he could no longer hold back his temper and hit back. Their security forces

cocked their guns and Concepcion thought that was their end because he and his men were outnumbered.

Both Diaz and Concepcion won last May 14 — "despite Joson's efforts," they said.

The break between the two groups finally became official last March 30 when Diaz and Concepcion formed the "KBL Marcos Loyalists" faction with the avowed objective of unseating Joson. This development makes Nueva Ecija one of the biggest problems of the KBL at present.

This "open war" against Joson was launched in a meeting in Cabanatuan City attended by Concepcion, Diaz, Palayan City Mayor Elpidio Cucio, Cabanatuan City Mayor Honorato Perez, San Jose City Mayor Amor Belena, Maj. Gen. Romeo Gatan (ret.), Brig. Gen. Vicente Eduardo (ret.) Vice Gov. Numeriano Villaroman, and hundreds of barangay leaders of Cabanatuan City and neighboring towns.

The affair was highlighted by Gatan's acceptance of a draft to run against Joson in 1986.

THE launching of the oust-Joson movement presages what some quarters fear might turn the 1986 local election into the bloodiest in the province's political history. A swarm of armed men, some of them in full combat gear, took care of the affair's security.

Mayor Cucio told *Veritas*: "Many mayors and a board member are against Joson but they cannot come out in the open yet because of fear."

Cucio, who has been Palayan City mayor for the last 15 years and a former Cabanatuan City Mayor, said that although Joson put up a candidate against him in 1980, he never fought Joson and even supported the governor's re-election bid. In explaining why he is now coming out in the open against Joson, Cucio said: "Nueva Ecija has never had a bloodbath, but now it leads all of Luzon, including Cavite and Ilocos, in terrorism and in the use of guns and guns. There was never a time when these were used (in elections) and they can't be eliminated unless Governor Joson is removed from office."

Cucio mentioned the still unsolved burning of the Cabanatuan City Hall in 1980, the recent assassination of his only son, Councilor Rolando Cucio of Palayan City, the murder of Mayor Rogelio Lagmay of Zaragoza, and the mysterious disappearance of Cabanatuan City Fiscal Masa as among the worst cases in the province.

Nine lives were lost and scores were hurt, including Cabanatuan City Mayor Honorato Perez, when armed men raided and burned down the city hall in 1980.

"Politicians were involved in the burning and they will be named later. We are hopeful that this will be solved and that's precisely the reason why we rose as one. This is the first time in my 25 years in politics to see such a wide conglomeration of people joining forces to fight Joson," Cucio said.

HE believes that General Gatan can do better than Governor Joson "because of Gatan's experience in maintaining peace and order and because of Gatan's experience in handling a number of government position." He said that a number of anti-Joson people in the province dared come out "because Gatan has pledged to us that he will see to it that we will be protected."

Gatan, the man on whom they are pinning their hopes of unseating Joson, is a be-medalled soldier whose exploits against the Huks in the 50s was once portrayed in a movie. He was born in Tuguegarao, Cagayan, but established roots in Cabanatuan City when he married a city resident.

Gatan has no political savvy and his oratory still needs polishing. He makes up for this, however, by his manner of talking tough and straight, a manner which sits well on a crowd that had been longing for the emergence of a man who can finally loosen the hold of Joson on the province.

Gatan told *Veritas*: "At the start, I did not know that I was being groomed to be the group's candidate for governor. I merely joined to help organize the party in fighting Governor Joson. But as we went from town to town, I was being endorsed by them as their candidate."

He said he decided to accept the gubernatorial draft "because it is a challenge" and "he is not one to run away from a good fight." He confessed ignorance of the basic issues against Joson, however, stressing that he is new in politics. He asked this reporter to direct this question at Diaz and Concepcion instead.

Gatan, together with General Eduardo who hails from Jaen town, is identified with the group of Ambassador Eduardo Cojuangco who is the KBL chairman in Central Luzon. There were rumors that Cojuangco has already given the green light for the fight against Joson but Gatan would not comment on this neither would Concepcion and Diaz.

Gatan said: "I am not aware of any words of encouragement from Ambassador Cojuangco. Minister (Jose) Roño and (Leonardo) Perez were ordered to settle this fight. Two weeks ago, we met Roño at the Makati Atrium. I was just a spectator there. Concepcion and Diaz did most of the talking. They told Roño that I was the only one who could stop Governor Joson. There was already an endorsement by this group to President Marcos that I be named

the KBL candidate for governor but there was no action yet on this endorsement."

When asked if it is possible that Nueva Ecija will become like the Ilocos region before martial law, Gatan answered: "I don't think we will come to that situation — unless they start something violent. I will not tolerate such a situation."

Earlier, he told a very receptive crowd: "If Joson wins in a clean and fair election, I'll be the first person to congratulate him. But if he wins through fraud and terrorism, I promise you this — nobody will sit as governor. And I'll pursue even his men who will perpetuate these frauds and terrorism."

Gatan will sooner or later find out that fighting Joson is very different from fighting Huks. Joson has maintained an iron grip in the province through political savvy, organizational knowhow and a system of patronage. A son is a provincial board member, another is an assemblyman and a third, the acting mayor of Quezon town, in the absence of the mayor who is Joson's brother. A nephew is chairman of the province's Association of Barangay Captains and consequently, is an ex-officio member of the provincial board. His opponents claim that he wants a portion of an area north of Cabanatuan City to be converted into a town so that another son can be named mayor.

ONE of the issues raised against Joson is his reported consorting with the opposition and that this opposition bent is evident in the performance of his son, MP Edno Joson at the Batasan.

Veritas tried to get Joson's side to no avail. His executive assistant, Efren Mendoza, said he'll call back to set the interview but didn't. When this reporter went to the capitol before the Holy Week, Joson's secretary, a Mrs. Jalmaani, said the governor had already left and she did not know where he was. However, *Veritas* was able to talk with MP Joson earlier and the young Joson denied charges of disloyalty to the KBL.

Said he: "Noong Liberal pa ang father ko, die-hard Liberal siya, pero noong naging KBL, naging die-hard KBL. Kahit na mangyari, basta KBL, KBL pa rin ang magiging stand namin diyan."

He abstained in the election of Virata as prime minister because he said what he had learned abroad told him that Virata was not following the correct direction. He also voted against the expunging from the Batasan record of the speech of opposition MP Rogaciano Mercado "because the motion to expunge had terrible implications." He also delivered a privilege speech questioning the Supreme Court decision prohibiting Pimentel from discharging his duties as MP and is among the few KBLs who have made use of the Question Hour.

MP Joson stressed that his father does not influence him at all in his legislative duties although he admitted that the governor had made recommendations on the filing of local bills like the conversion of the Nueva High School into Nueva Ecija Community State College and allowing provincial governors to have a say in the appointment of provincial commanders.

"I am free to vote on any issue as long as there is no official party stand on the matter," he said, while adding that he sometimes has reservations regarding the political consequences of some KBL party policies.

The division of the KBL in Nueva Ecija should provide the opposition with the golden opportunity to ascend to power. Unfortunately, the opposition in the province is even more hopelessly

divided. In the May 14 elections, the opposition was fragmented with the UNIDO, PDP-Laban, and Laban ni Ninoy putting up separate tickets. The situation was abetted by the indecisiveness of Sen. Salvador Laurel, UNIDO president, who finalized his ticket only a few days before election. By then, those whom he named earlier had already refused to withdraw their candidacy.

At the moment, no oppositionist in the province has reached the stature that can seriously pose a challenge to Joson. The most that the opposition can come up with would be a token candidate. It is quite ironic that while Joson has been accused of having oppositionist views (ask him about the possible return of General Ver, Amendment 6, and return of police control, an opponent told *Veritas*), a number of oppositionists have joined hands with Concepcion and Diaz in their fight against Joson.

Diaz said the split in the KBL will not hand over the province to the opposition because of this fact. He cited UNIDO candidates Mayor Pablo Solomon of San Leonardo, and Mayor Virgilio Calice of Guimba, along with Board Member Dioscoro de Leon as among the oppositionists who have joined them.

Despite earlier fears of possible violent confrontations between the followers of Joson and Gatan, there are some who consider this quite remote "because there will be a balance of power."

On April 17, the KBL national directorate will tackle the various trouble spots and Nueva Ecija will be high on the list. If the national leadership sides with Joson because it may believe that only Joson can deliver the votes, then Diaz, Concepcion and Gatan may kiss their movement goodbye. A leader of the group, Mayor Perez of Cabanatuan, however, said: "Kahit na anupa ang mangyari ipagpapatuloy namin ito sapagkat nalalaman namin na kapag hindi kami kikilos, babagsak ang KBL at ang laawigan."

It is noteworthy that despite Joson's opposition, Concepcion has grown in party stature, capped by his recent appointment as deputy agriculture minister. Diaz, on the other hand, was picked by the KBL to head the Batasan health committee although he won as an independent KBL.

A crucial factor in this fight is the stand of Ambassador Cojuangco. However, no "padrinos," however influential, can force Novo Ecijanos to vote against the man of their choice. Whether guns, goons and fraud can, however, is another matter. —

CSO: 4200/961

PHILIPPINES

18 FIREARMS SEIZED AT MANILA AIRPORT

Manila PHILIPPINES DAILY EXPRESS in English 25 Apr 85 p 1

[Article by S. Patinio]

[Text] CUSTOMS policemen at the international airport seized yesterday 18 firearms, including an UZI machine pistol, after a brief chase from the arrival to the departure area.

The carrier, who came from the United States, escaped, but the police recovered the firearms and ammunitions, wrapped in a coathanger bag, inside a car parked in front of the departure area.

The car driver, identified as Sigfredo A. Alo of Kamias, Quezon City, denied any involvement. He said he did not know the man who dumped the bag inside his car, but said he would recognize the man's face if he sees him again. The driver is detained at the customs police.

COL. Sindulfo Sebastian, Customs police chief, said acting on an information, CPM Joey Petelo and Antonio Fuentebella, posted themselves at the arrival area and intercepted the contraband, the fourth haul this month, and so far the biggest gun shipment held at the MIA.

He said the police is now following up leads to establish the identity of the carrier, the man who picked up the firearms from the carrier as he came out of the tube, and another man who accompanied him inside the elevator that brought them to the departure area.

Seized were 10 pistols and eight revolvers of the Magnum .357 and .44 caliber-type.

Hundreds of bullets and magazines, including a sales invoice from King's Gunwork, USA, and a luggage carrier marked "R.P. Natividad," were part of the seized items, the report said.

CSO: 4200/985

PHILIPPINES

CEBU EDITORIAL HAILS RAMOS ANTIABUSE EFFORTS

Cebu City VISAYAN HERALD in English 25 Apr 85 p 3

[Editorial: "We Salute Gen. Ramos!"]

[Text] Appearing like a flash of hope in a clear blue sky is the move initiated by the military to investigate all forms of human rights violations and abuses involving men in uniform.

This was announced yesterday by the PC/INP information office, obviously to implement the recent pronouncement of the chief of staff under Gen. Fidel Ramos. The good general has emphatically shown that a change in the attitude of the military hierarchy by putting to task abusive military men is in the making. This will give justice to the people.

In a recent conference with Cebu's assemblywoman Nita Cortes Daluz reported that Gen. Ramos lost no time in acting on the complaints of human rights violations brought up to his attention. The swiftness of Gen. Ramos' action is indeed commendable.

The change of attitude from one of cover-up to that of swiftly acting on the people's complaints is fresh wind blowing good for the country and our people. If the people's protests, problems and complaints are heard and acted with dispatch by those in power, as Ramos is doing, there is no gainsaying action will reap good dividends in terms of restoring the people's faith in the military and the government.

Gen. Ramos is one military man in the active service who is redeeming the military's spoiled image. General, may we say to you: "Go on, you are in the right direction. It's your determination, your concept of service, your fairness, your sense of democracy, that may yet save this Republic."

We do not execute a salute easily not even to a general. But this time, General, we salute you most reverently. We who belong to the common man salute you most respectfully. We salute you because what you are doing is good for our country and democracy.

After a long suffocating period of injustice...but you are still facing an elephantine problem.

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JPRS-SEA-85-095
17 June 1985

PHILIPPINES

1985

CORN PLANTING, LOAN PROGRAM EXPANDED

Quezon City ANG PAHAYAGANG MALAYA in English 12 Apr 85 p 3

[Text]

The two year-old Maisagana program has been absorbed by the expanded yellow corn program whose coverage has been expanded to 36 provinces from the original 18.

Gioja Munguez, chief of the corn division of the National Food and Agriculture Council, said the 28 new provinces formerly under Maisagana coverage would now be extended the same credit schemes of the EYCAP such as loans up to P4,800 per hectare at 15 per cent interest rate.

and diverse options for credit channelling.

Munguez also said the EYCAP's technology has been revised to cover not only the five-ton hybrid but also the open pollinated varieties which produce an average of three tons, because of the observed difficulty of farmers in adapting to the more tedious care required by the hybrid.

Maisagana '99, launched in mid-1982, suffered poor repayment performance of only about 52 per cent which crippled the capability

of participating banks to provide further funds for re-lending.

The Maisagana utilizes only the banking institutions as sources of credit. Its loaning rates for hybrid corn production was P3,050 per hectare for rural banks and P2,300 per hectare for the Philippine National Bank and the Land Bank of the Philippines.

The EYCAP, on the other hand, tends at a ceiling of P4,800 per hectare in the form of farm inputs through credit channels such as the industries, input suppliers, the National Food Authority, and the banks. To ease the banks' capability for re-lending, the Central Bank, instead of rediscounting, extends special time deposits to the agriculture and food ministry and the CB authorized banks, including commercial and thrift banks, to enable them to directly finance corn farmers.

With the interfacing of the two corn programs, the government expects to

achieve an additional production of 617,000 metric tons in the year's two semesters - January to June and July to December - total coverage of both programs is expected to reach 150,000 hectares.

The National Food Authority estimates local corn requirements of the feed industry at 3.6 million metric tons but NFAC noted in 8 per cent annual increase in demand for feedcorn, compared to a 5 per cent yearly growth rate of domestic corn production.

Although 3.3 million hectares are planted to corn, 88 to 92 per cent of this area are used for white corn which is intended for human consumption.

Officials said they have now introduced white corn into the EYCAP because of a noted decline in the use of corn for human consumption. On the other hand, the proportion used as feed ingredients increased from 31 per cent of total supply in 1969/1970 to 51 per cent

CSO: 4200/961

PHILIPPINES

SOUTHERN DROUGHT EXPECTED TO REDUCE CROP YIELD

Manila BULLETIN TODAY in English 13 Apr 85 pp 1, 12

[Article by Marcia C. Rodriguez]

[Text]

Central Visayas and Northern Mindanao are experiencing a drought that is expected to reduce to "below normal levels" the production of palay and corn in rainfed or non-irrigated areas, the Philippine Atmospheric, Geophysical and Astronomical Services Administration

(PAGASA) said yesterday. Rainfall in these areas has been less than 50 percent of normal for this time of the year, according to Aida M. Jose, senior science research specialist of the PAGASA data office.

The latest climate report on agriculture said that the areas affected are northern Panay, Cebu, Western Samar, Leyte, Northern Misamis Oriental, Davao del Sur, and South Cotabato.

Jose said PAGASA is closely watching developments in climatic changes in Central Visayas and Northern Mindanao which she described as the "critical" areas.

Northern Luzon, which was threatened by a drought early this year, experienced rains in March, ending the dry spell, she said.

The cumulative rain-

full record in Northern Luzon from November, 1984, to January, 1985, was the least amount of rainfall for that period in the last 30 years.

Despite the early rains, crop production in lowland areas of Luzon which depend solely on rain may also fall below normal levels because the rains came too late to reverse the condition of crops, she said.

But even with the "temporary" drought, the country may still be able to "manage" because there is enough water stored in irrigation reservoirs and dams in 1984, Ms. Jose said. About 50 percent of the rain in the country comes from tropical cyclones.

Although the duration of the drought could not be ascertained, PAGASA forecasters predict early rains this year because of the early onset of the dry

season. PAGASA reports showed the condition of crops in the following areas: Luzon — generally below normal production; Visayas — above-normal harvest of palay except for northern Panay and Cebu; Region 8 — corn crops in Western Samar and Leyte affected by below-normal rainfall; Region 9 — normal to slightly reduced yield of lowland rice; Region 10 — near-normal yield of lowland crops; Northern Mindanao — normal yield except for northern Misamis Oriental; and Region 11 — below-normal harvest for rainfed areas of Davao del Sur and South Cotabato.

CSO: 4200/961

17 June 1985

SOLOMON ISLANDS

ECONOMY RETURNING TO NORMAL

Honiara SOLOMON STAR in English 24 May 85 p 10

[Text] The Central Bank of Solomon Islands said that in the first 3 months of 1985, the SI economy was finding its way back to more normal monetary conditions, after the upsurge in incomes that characterised 1984.

Export earnings fell, while imports continued the upward trend of 1984.

External reserves declined, and bank liquidity returned to moderate levels; while the government again faced the cash flow impact of financing increased services from limited tax revenues.

Investment and development activities continued at or below 1984's relatively low level.

The 1984 surplus on the balance of payments, estimated at \$15 million for the full year, was partly offset by a deficit in the first quarter of 1985 estimated at \$9 million.

Export receipts declined from their 1984 levels, as vegetable oil prices stabilized, timber prices fell, and fish exports dropped during the off season; total export earnings were estimated at \$25 million.

Import payments continued to rise, as orders placed in 1984 came for payment, totaling \$28 million.

Together with deficits on the services and transfer accounts of \$4 million, the current account of the balance of payments showed a deficit of \$7 million.

The capital account was also in deficit by \$2 million.

The official external reserves declined from \$61 million to \$55 million. The reserves at the end of the quarter were equivalent to about six months imports or four months of total payments.

To some extent, the widening trend in the balance of payments deficit should be self-correcting, as households and businesses meet the commitments they undertook on the strength of 1984's higher incomes and surplus cash.

The Central Bank has asked banks to tighten lending for non-productive purposes.

If the trend is not reversed, further measures to reduce import demand may be expected.

THAILAND

PAPER URGES U.S. TO CONTINUE TAKING REFUGEES

BK200041 Bangkok THE NATION REVIEW in English 20 May 85 p 4

[Editorial: "U.S. Must Continue Its Refugee Resettlement"]

[Text] It is a fact that the United States has played the most humanitarian role in the resettlement of Indochinese refugees and has already taken 120,000 Kampuchea ns for resettlement. But this must not blind us to the fact that the refugee resettlement programme must go on and must not be abruptly ended by the U.S. or by any other country. Voluntary aid organizations in the U.S. have said that Washington is virtually halting the flow of Kampuchean refugees into U.S. and we can only presume that this report is exaggerated.

However there seems to be an element of truth in the report since the U.S. State Department has confirmed that U.S. officials would halt their systematic interviewing of Kampuchean refugees in Thailand very soon and that there were no plans to resume that programme. The interviewing and selection of refugees, in itself, has been a controversial issue. Refugees are supposed to establish to the satisfaction of the interviewers that they fled their country because of a well-founded fear of persecution--no refugee can possibly prove that.

The actual interview, several have complained, is only to pick the cream of the refugees in terms of education, adaptability, knowledge of languages, etc. and then resettle them in the U.S. But actually the intention of the interviewing process does not matter, so long as refugees are taken by third countries draining the burden on Thailand.

There is another fallacious reasoning put out by the U.S. and several other countries that the very possibility of resettlement in a richer third country acts as an incentive to Kampuchea ns to leave their country and cross to Thailand. The fallacy can easily be exposed by the single fact that the 230,000 Kampuchea ns who fled to Thailand during the dry season offensive by the Vietnamese, during which they captured all the bases of the resistance forces, were not motivated by resettlement in the U.S. or any other country--it was plainly due to understandably extreme fear.

Another point is that governments, just like individuals, become fatigued. It was evident in a typical fashion during the famine in Africa, especially

Ethiopia. When pictures of children with bloated stomachs and emaciated men with skin tightly drawn over their rib cages were shown on TV and reinforced by publication in newspapers and magazines, the conscience of individuals, charity organizations and governments was stirred.

Aid poured into Ethiopia in such quantities that the food could not be distributed. And in barely a couple of months the fatigue factor set in and the aid became a trickle. It has been the same with refugees. When the refugees first began flowing into Thailand, the U.S., France, Australia and other countries sent several teams to take refugees and soon the fatigue factor set in and only a trickle of refugees were leaving for resettlement in third countries. We sincerely hope that this is not true of the U.S.

CSO: 4200/971

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THAILAND

After a long period of relative quiet, Thailand has again become involved in regional politics. The visit of Prime Minister Dr Mahathir Mohamed to Thailand last week was the latest in a series of meetings between Thailand and its neighbors. The purpose of the visit was to discuss the problems of cross-border narcotics trafficking and to explore opportunities for economic cooperation. The meeting was reportedly friendly and productive.

BANGKOK POST VIEWS VISIT BY MALAYSIA'S MAHATHIR

BK210119 Bangkok BANGKOK POST in English 21 May 85 p 4

[Editorial: "Towards a Friendlier Neighbourhood"]

[Text] For far too long the word "border" has been synonymous with the world "trouble." To the East we are faced with a Vietnamese occupation force which has shown designs on our own territory as well. To the Northeast, Lao military forces occasionally stage incidents to keep the frontier in a constant state of tension and to the West there are constant problems involving various ethnic groups, different factions of Burmese rebels and assorted opium and jade warlords. In the South the primary concerns are those of separatist activity, smuggling and the clandestine activities of the Communist Party of Malaya. The extent of these problems is offset by cooperation with Malaysia, which laid the basic framework for the meeting last Thursday between Prime Minister Prem Tinsulanon and Dr Mahathir Mohamed.

Dr Mahathir was making his third visit to Thailand since becoming premier and, although the meeting was brief, agreement was reached on a broad range of general issues. A notable exception was the pressing problem of Thai fishermen held in Malaysia for allegedly violating that country's territorial fishing limit which was not resolved to the satisfaction of the Fishery Association of Thailand. Dr Mahathir sidestepped the issue by agreeing to speed up their trials and to return confiscated fishing boats.

More encouraging was the approach made to the problem from a different direction in which Malaysia expressed willingness to participate in a joint fishing venture. Under the terms of such a venture, Thailand would provide the technical know-how and fishing boats while Malaysia provides capital. Also discussed was the matter of overlapping sea boundaries with Dr Mahathir offering a 50-50 production sharing basis for development of oil and gas resources in this overlapping sea boundary area. Gen Prem made it very clear that Thai interests and present contracts would be safeguarded in any consideration on this matter.

Discussions were also held on a joint venture involving the Thai manufacture of spare parts for car assembly in Malaysia and, equally important, intensifying cooperation in the suppression of cross-border narcotics trafficking. Airline rights were mentioned in passing, with Malaysia reiterating its interest

for more chartered flights. This is a delicate matter because the Thai points outside Bangkok that Malaysia wishes to increase its chartered flights to are already being adequately served by our own national carriers and extreme care has to be taken that they do not become "saturated."

The purpose of the talks, which also covered regional issues, was to eradicate any misunderstandings over policy and to bring the minor irritants that can occur between neighbours out in the open so that positions could be explained and ways found to settle them. There will always be differences of opinion but, as the Phuket talks demonstrated, the traditional friendship between our two ASEAN countries remains as firm as ever.

CSO: 4200/971

THAILAND

MP SEEKS REVERSAL OF CONSTITUTION AMENDMENT VOTE

BK230202 Bangkok BANGKOK POST in English 23 May 85 p 1

[Text] Uthai Thani MP Colonel Phon Roengprasoetwit yesterday submitted an urgent motion to Parliament seeking an interpretation of the result of 1983 vote on a constitutional amendments bill.

A similar motion was submitted to Parliament by the maverick MP in September last year that set off a confrontation between the military and political parties. As a result of a personal intervention by Army Commander-in-Chief General Athit Kamlang-ek, however, the motion was postponed by a 371:76 vote.

Colonel Phon's motion seeks a reversal of a defeated attempt to amend the Constitution so as to allow civil servants, including military personnel, to assume political posts, and to return voting power to the Senate over the House of Representatives.

The colonel's contention is that the constitutional amendments bill requires only 253.5 votes (50 percent of the total vote from both Houses) for its passage since there were then only 296 out of 301 MP's because of deaths and only 211 senators in office following the resignation of 14 others.

The 1983 attempt was endorsed by 254 votes which, according to Col Phon, was sufficient for its passage.

But Parliament then ruled that the bill needed at least 264 votes, which was more than half of the number of Senators and MP's combined. A few days after the ruling, Parliament was dissolved.

Col Phon's bid last year was contested by Social Action Party leader M. R. Khukrit Pramot, who submitted a counter-motion arguing that since the amendments bill was neither approved by the House nor his majesty the king in a previous Parliament, it should be automatically dropped with the new session.

It was reported that if Col Phon's motion is to be debated again, M. R. Khukrit's motion will have to be considered simultaneously.

CSO: 4200/971

THAILAND

DEMOCRATS FORMULATE CONSTITUTIONAL AMENDMENTS

BK240245 Bangkok BANGKOK POST in English 24 May 85 p 3

[Text] The Democratic Party will propose six changes to the Constitution if Parliament debates the proposed amendments initiated by the Social Action Party [SAP].

Yasothon MP Phiraphan Phalusuk said yesterday that the party's working committee headed by Public Health Minister Marut Bunnak, who is a respected lawyer, had already studied the Constitution and suggested that amendments not only be limited to the return of the old multi-constituency and individual candidacy electoral system as intended by the SAP, but should cover other aspects as well.

The following amendments will be proposed by the Democrats:

- The President of Parliament should be the House Speaker;
- After delivering a policy statement in Parliament, a new government must seek a confidence vote before assuming office;
- At least half of the Cabinet ministers must be elected MP's;
- The electoral system must be based on a one-man-9.3-vote system, which means that there should be one MP for each constituency and each voter allowed to cast a ballot for only one candidate;
- The proportion of population per each MP should be changed from 150,000 to 200,000;
- The minimum age of eligible voters should be 18 instead of 20.

Mr Phiraphan said that the Democrats didn't object to the SAP's proposed amendment, but felt that the amendment should cover other aspects as well.

CSO: 4200/971

THAILAND

DAILY DISCUSSES REVIVAL OF AMENDMENT BILL DEBATE

BK230917 Bangkok BANGKOK WORLD in English 23 May 85 p 6

[Article: "Rocking the Boat in Parliament"]

[Text] The dust has not yet fully settled following his ouster from the Chat Thai Party, the maverick Colonel Phon Roengprasoetwit is back again to raise the political atmosphere. This time he is attempting to revive a debate over the results of a vote taken in March 1983 on an army-backed constitutional amendments bill.

The bill which then sought to restore senators' powers and retain government officials' rights to hold political positions simultaneously received only 254 votes--about 10 short of an absolute majority needed for its passage through the final reading of Parliament.

A similar attempt by Phon to reactivate a debate on the issue was made last September and eventually led to an unfortunate showdown between the military and political parties: but thanks to a personal plea by Army Commander-in-Chief General Athit Kamlang-ek, the political crisis then which was the direct result of the confrontation was averted when the Parliament voted to postpone the debate until the new parliamentary session.

Phon's contention was that the 254 votes cast for the bill should be enough for its passage because there were then 507 MP's and senators in the two houses instead of 526 because 14 senators had resigned and five seats in the House of Representatives were vacant due to deaths.

The case was shelved since then and was only raised again when the dissident MP of Uthai Thani submitted a motion to Parliament yesterday.

This latest move by Colonel Phon has once again brought to life the basic questions which have been asked time and again. Is there an ulterior motive behind his move? And for whom is the colonel actually working?

The true answers may not be available, but it wouldn't be too difficult for anyone who has closely watched the colonel's political conduct to come up with their own replies.

It appears to be more a matter of careful calculation than a matter of pure coincidence that Phon's move came at an opportune time when most parties in the coalition government have endorsed a motion initiated by the Social Action Party to seek a constitutional amendment to bring back the old multiconstituency and individual candidacy electoral system.

Though a key senator who is a civilian, Mr Sanon Saisawang, assured the other day that the senators would not demand additional constitutional changes if they are to vote for the change of electoral system, the reviving of a debate to seek a reversal of a defeated constitutional amendments bill as a result of Phon's motion may complicate the SAP's initiative.

Alarmists may be afraid that the colonel's motion may also set the stage for a highly charged political showdown like the one of last September when the military, in their push for charter amendments, were bitterly pitted against the political parties.

But anyhow, if Phon's motion is to be debated, a counter-motion which was submitted by SAP leader M. R. Khukrit Pramot last September will have to be debated concurrently.

Khukrit's contention was that the constitutional amendments bill was automatically dropped when Parliament was dissolved in March 1983.

The timing that the maverick MP chose to revive a debate on the result of a vote in March 1983 may have something to do with the colonel's own fate in Parliament.

The advisory board of the election registrar met yesterday to decide whether Phon will lose his parliamentary status as a result of his expulsion from the Chat Thai Party in accordance with Article 103 (7) of the Constitution.

The meeting was nevertheless inconclusive as more documents are needed from the Chat Thai to help ascertain the case.

Informed sources in the ministry earlier said that the colonel was likely to lose his status as did the former Nakhom Pathom MP Sarawut Niyomsap, but the case has to be referred to the Juridical Council for a final ruling.

Faced with uncertainty over his status and the limited period of parliamentary session, Phon is therefore compelled by circumstances to do something urgently before he won't have the chance. And the only thing that he seems to be good at and from which he has earned his reputation is to rock the boat.

CSO: 4200/971

THAILAND

CABINET APPROVES DRAFT BUDGET BILL FOR FY86

BK220032 Bangkok BANGKOK POST in English 22 May 85 p 1

[Text] The Cabinet yesterday approved in principle a 218,000 million baht austerity budget for the 1986 fiscal year.

The new budget represents an increase of 9,000 million baht or 4.3 percent over the current year's revised budget for 209,000 million baht. The original budget for this year was set at 213,000 million baht, but due to financial constraints, it was trimmed by 4,000 million baht.

Government spokesman Trairong Suwannakhiri said yesterday the government had drawn up the new budget by following five principles, which are:

- The total amount of spending must not exceed the total amount of tax revenue combined with other income;
- The budget deficit must be kept within the 35,000 million baht mark;
- Assessment of revenue must be based on the actual capability of revenue collection;
- The planned budgetary expenditure must completely cover the government's obligations and commitments;
- Only state enterprises which do not have their own revenue will receive funding from the government with the exception of those assigned to undertaken projects initiated by the Government.

Dr Trairong pointed out that economic growth in the past four to five years ranged between four to five percent a year, thus resulting in a current account deficit averaging 5.6 percent of the Gross National Product.

The government, he said, had taken steps to retain the current account deficit at an appropriate rate which would be within the level of the country's economy to handle foreign loan servicing without any problems.

Current account deficit this year is expected to be reduced to 3.5 percent of the GNP or 39,700 million baht.

In the next fiscal year, the government intends to limit the current account imbalance to 2.8 percent of the GNP or 37,200 million baht, said Dr Trairong,

adding that in order to achieve this target it is necessary for the government to cut back spending, particularly expenditure in the government sector.

As a result, the economic growth rate is likely to slow down slightly and be within 5.4 percent, said Dr Trairong, adding that the consumer price index for next year is expected to go up by an average of 5.5 percent.

The spokesman said that adjustments in both private and government sectors are needed in an effort to enhance economic stability during the next fiscal year.

Credit expansion of the private sector is estimated to be 21 percent whereas on the government side, austerity measures will have to be introduced to curtail the cash deficit to 1.6 percent on the GNP or 19,500 million baht as compared to the 31,900 million baht and 26,000 million baht last year and this year, he said.

Dr Trairong said out of the 218,000 million baht budget expenditure, the government is expected to collect a total of 185,000 million baht in revenue, leaving a 33,000 million baht shortfall which is to be made up by domestic borrowing.

The projected budget deficit is still 2,000 million baht below this year's target, he noted.

The new budget was widely debated yesterday with all the ministries, with the exception of the Education and Agriculture Ministries, voicing agreement to the allocations.

Budget Bureau Director Bodi Chunnanon said the Education Ministry wanted additional allocation for the vocational education programme. The Agriculture Ministry, he added, also asked for more budget for reafforestation and organic fertiliser projects.

The completed draft of the budget bill will be submitted to the cabinet within three weeks and then forwarded to Parliament around 20 June, said Dr Trairong.

CSO: 4200/971

THAILAND

FORMATION OF NATIONAL LABOR CONGRESS VIEWED

BK190531 Bangkok THE NATION REVIEW in English 19 May 85 p 10

[Text] As the political atmosphere began to gather momentum last month, a new labour movement known as National Labour Congress (NLC) was quietly formed. Its leaders made it unequivocally clear that the new labour organization intends to play a political role.

It is not immediately clear what kind of political role, the NLC will take. But one founder of the organization told THE NATION: "We can only solve labour problems through political approaches."

The basic principle of the NLC is different from the traditional platform of other existing labour organizations, such as the Thai Trade Unions Confederation or, to a certain degree, the Labour Congress of Thailand, which openly support unionism as a way to deal with labour problems (through the later one is more politicized at certain times).

The NLC claims to have broad-based support from labour leaders, students, academicians and representatives of many other pressure groups. The NLC did not just emerge from nowhere. Its founders were, in fact, the same group of people who ran the so-called "State Enterprise Council of Thailand," one of the splinter labour groups that brought together activists of labour unions of state enterprises.

The formation of the NLC was formally announced on 1 May to coincide with the May Day. Its first assembly was held the same day and Wit Borisuthikun, president of the labour union of the Thailand Tobacco Monopoly (TTM) was elected its first president.

Wit, a labour leader who has been active on the labour scene, said until the founding of the NLC, there was a lack of organized labour movement at the national level and the already existing labour organizations did not have unity that was necessary in strengthening their bargaining power to protect the interests of workers.

Wit said the NLC intends to fill that gap. "Our goal is to tackle the pressing labour problems and protect the rights of the working class," Wit declared.

The first step to be taken by the LNC, Wit said, is to make attempts to create unity within the labour movement in particular and among people of various professions in general.

"The NLC must become an organization that can bring together people of all professions. And that is the only way to make it a national organization," Wit said.

Though Wit is still vague as to how the NLC is going to achieve its cherished goal, informed sources in the newly-founded labour body said its immediate job now is to find as many allies as possible. And in working toward that direction, the NLC is preparing to take a tough stand against the government's policy of transferring or privatizing state enterprises which have caused a financial burden.

"The NLC will focus its attention on this issue which we believe can really a lot of support and bring out many allies," one of the sources said.

What is interesting about the NLC lies more on the people who are behind its formation than on what it is going to do. A quick glance at the list of its founders and active members is enough to reveal the political affiliation of the organization. "These are all disciples of Achan Prasoet," an observer with close connections with the labour movement said.

The observer said it is believed that the NLC was set up in order to "steal the show" from the Labour Congress of Thailand (LCT) whose influence and image has been declining. "And it is no surprise that many of the founders of the NLC were the same people who are running the LCT," he said.

He added that the charter adopted by the NLC during its first assembly strongly reflects the political thinking of Prasoet. But what kind of role Prasoet is really having in the NLC is still not very clear.

Sources in the NLC admitted that the new labour movement receives tacit support from the so-called "Democratic Soldiers" Group which, however, still wants to keep a low profile in the whole affair. And surprisingly enough, the sources said the NLC also gets some financial support from one of the opposition political parties.

President of Thai Trade Unions Confederation (TTUC) Phaisan Thawatchainan quickly denied that he was an advisor of the NLC as mentioned in this booklet. But he admitted that Wit had made some contacts with him prior to the formation of the NLC. "But I am already too preoccupied and rejected his offer to join the NLC," Phaisan said.

Wit said the NLC had agreed to lend support to the workers of TTM in opposing the government's plan to partially privatize the state enterprise.

However, Phaisan expressed doubts as to how effective the NLC will be in fulfilling its goal. "It may make some bold acts in the initial stage. But in the long turn, we will have to wait and see," he said.

THAILAND

AIR FORCE CHIEF ON F-16 PURCHASE, SPARE PARTS

BK180315 Bangkok THE NATION REVIEW in English 18 May 85 p 5

[Text] Air Force Commander-in-Chief Praphan Thupatemi gave the reassurance yesterday that the engines and spare parts for F-16 jetfighters to be sold to Thailand by the U.S. have no problems.

Praphan said that the final report of talks between Thai and U.S. officials recently has already been submitted to the Defence Ministry for further consideration. "It would take some time because the financial terms will be discussed," he said.

His comment was responded to the question of recent reports that about half of the engines and spare parts for the F-16 jetfighters cannot be used because of management miscalculation.

The air force chief added that the total cost of the 12 F-16 jetfighters would be \$317.8 million (approximately 9,000 million baht) payable in five years. "We bought the aircraft with a standard price and extra equipment will cost more," he added.

The delivery of all jetfighters would take at least 36 months, which according to Praphan could be negotiated. "Thai pilots will be trained about one year in advance before the delivery," he said.

He said that since many countries have used F-16 jetfighters, any problems must have been solved by now.

CSO: 4200/971

THAILAND

SIAM RAT VIEWS 'SURGE' IN POLITICAL ACTIVITY

BK251153 Bangkok SIAM RAT in Thai 21 May 85 p 3

[Editorial: "Surge in Political Events"]

[Text] Items in the press about political activities and their effects have increased as 29 May approaches--the day the house of representative debates the no-confidence motion against the prime minister and some cabinet ministers. Newspaper items have included the Chat Thai Party's expulsion of Colonel Phon Roengprasowit and whether this will result in a by-election, the prime minister's feelings of hurt at being the target of a no-confidence motion, and a possible cabinet reshuffle as a way to reduce political pressure.

All of this occurred in Bangkok, where only 21 percent of eligible voters voted in a by-election 2 weeks ago.

The current surge in political activities is considered normal in light of the fact that democracy means airing different opinions and the opposition has to perform its duty in the parliament, including calling no-confidence debates on the prime minister or individual ministers as appropriate.

The current no-confidence motion amounts to a relaxation of pressure and a test of the ability of the government, which has been in power for some time. We are confident that no problems will arise as long as no wrong issues are mistakenly played upon. If the opposition's no-confidence motion should lead to a cabinet reshuffle, a worsening of the administration would not result.

What is worrisome at this time of high political activity are the attempts naive people to create confusion on the grounds that the present situation in the country lacks stability. This kind of thinking exists in the dark in many circles and it cannot be denied that conditions could be created to lead the country to undesirable ends--a coup.

Learning democracy requires perserverance and firmness and is difficult. The Thai people, however, should be proud that they have come this far and must not allow an undesirable atmosphere to be manufactured because it could be too late before they realize what has happened.

CSO: 4207/214

THAILAND

MATICHON VIEWS OPPOSITION NO-CONFIDENCE MOTION

BK291542 Bangkok MATICHON in Thai 29 May 85 p 4

[Editorial: "The Opposition Status"]

[Text] The status of the opposition under the democratic parliamentary system can never be considered separately from the role of members of the house of representatives. Opposition MP's have their own party but do not hold portfolio posts.

Article 105 of the constitution reads: "After the cabinet has taken office to administer the country, the king shall appoint the opposition leader who should come from members of the House of Representatives, who is the leader of a political party whose nonportfolio members in the house exceed those of other parties and should not be less than one-fifth of the total number of members of the house." The constitution thus recognizes that the opposition plays a role no less important than that of the government.

The question that arises now is whether the opposition party and its members really have any meaningful role to play in the national assembly.

The answer to this question can be found in the constitution. Article 135 clearly defines the status of the opposition in the parliament. It says: "The Senate and the House of Representatives are empowered to control and supervise the administration of the country." Hence, the no-confidence motion against the whole cabinet or individual ministers in accordance with articles 136 and 137 can be made constitutionally.

It is obvious that the no-confidence motion against the government or individual cabinet members slated by the opposition MP's was in no way an unconstitutional act. It is rather astonishing to see the government trying to prevent the opposition from resorting to such a practice, particularly concerning motions against the prime minister.

It is permissible for both the government and opposition to make use of the conditions provided by the laws and constitution in their maneuvers against their opponent. However, the prime minister has apparently become a "fragile" politician. Nobody is allowed to touch him even within the framework of the constitution. There seems to be doubt over the general belief that a politician is a "public figure" who must be examined by representatives of the people in the national assembly. To defend a person one loves and respects is ethical but it should not be practiced at the expense of the supreme law, if it still has any value, of the country.

CSO: 4207/214

THAILAND

COLOMNIST ON PREM STRATEGY ON NO-CONFIDENCE MOVE

BK282155 Bangkok MATICHON in Thai 27 May 85 p 6

[CHA BAN column: "When the Prime Minister Makes the Decision"]

[Excerpt] [passage omitted] The people in the coalition government and personalities concerned have been trying to protect General Prem Tinsulanon since the Chat Thai Party submitted the no-confidence motion against the prime minister. It is fairly obvious that everyone loves Gen Prem and wants him to continue to be prime minister. Nobody wants to see the prime minister disheartened by slanderous accusations or criticism. The government spokesman himself once said that the proposal to broadcast the no-confidence debate live would only create "filthy mounted heroes," claiming that the Chat Thai Party planned to take advantage of the parliamentary immunity to level strong criticism against Gen Prem to force him to resign. However, nobody has ever considered what Gen Prem has in his mind.

The suggestion that Gen Prem dissolve parliament does not seem to please anyone because after the dissolution of the National Assembly, a general election must be held in accordance with the Constitution. Nobody can guarantee that the party that wins the majority of the seats in the house will choose Gen Prem as the new prime minister. If Gen Prem does not want to face the no-confidence motion, he must do something--resign or dissolve parliament.

If Gen Prem resigns before the no-confidence debate, the National Assembly must find a new prime minister. It is believed that the four parties in the coalition government will vote for Gen Prem. Moreover, he can use this opportunity to reshuffle the cabinet.

This is the only way that the government can benefit. The opposition will have to wait for at least 1 year before it can launch any new censure motion against the new cabinet.

If the prime minister resigns, everything will be all right. Besides, there is no need to waste money holding another general election. It is tantamount to killing many birds with one stone.

CSO: 4207/214

THAILAND

IRANIANS VOICE 'DISAPPOINTMENT' WITH OIL TALKS

BK240331 Bangkok THE NATION REVIEW in English 24 May 85 p 19

[Names as published]

[Text] Visting Iranian delegates yesterday [word indistinct] to conclude an agreement with the state oil company, Petroleum Authority of Thailand (PTT), and said they will begin to cut back the import of foodstuffs including rice from this country.

They expressed disappointment over PTT's reluctance to purchase crude oil from Iran to reduce trade imbalance estimated at around U.S.\$100 million in favour of Thailand. PTT wants to buy 10,000 barrels of oil per day at spot price but Iran, as a member of OPEC, could only sell at Government Sale Price with some discount for war-risk.

"We told them if they don't buy crude, we will decrease imports of rice and other foodstuff because we cannot afford this level of trade deficit. We are sorry," they told THE NATION at the Erawan Hotel.

Meanwhile, the proposals by UMC International, a subsidiary of the Metro Group, to create a four-way countertrade arrangement between Japan, Iran, Romania and Thailand in which UMC would purchase crude oil from Iran to supply to Romania and Iran, in turn, will buy agricultural products from this country will also not materialize.

Special Consultant to the Iranian Deputy Minister of Oil A. Torabian said the delegates held talks with PTT officials earlier this week and offered to supply 40,000 barrels of crude oil per day to the state oil agency.

"We believe that out of Thailand's demand of 100,000 BPD from the Persian Gulf, she must buy at least 40,000 BPD from us in order to correct the existing annual trade deficit Iran has with this country," he explained.

Torabian said Iran has started negotiations with the Thai Government and her plan includes more purchase of Thai agricultural products to expand trade relations. "As a member of OPEC, we have also told PTT that we must sell crude at Government Sale Price (GSP) of U.S. \$28 per barrel," he added.

While PTT officials were told that Iran will not be able to sell under term contract under the spot price, he said Iran has been "flexible" towards PTT's desire to import only 10,000 BPD of crude but at the same time, he described the counterproposal as "nothing substantive" because it is not enough to correct the recent trade imbalance.

Iran, Torabian said, while accepting this figure as well as different proportions of crude, whether it be light or heavy (Iran normally sells them at the ration of 50:50) because of problems associating with Thai refineries, it also agreed that the crude could be shipped out from Siri oil terminal not affected by the ongoing war with Iraq.

He said PTT, which also wished to have the crude delivery made in four quarters of equal proportions, also asked for competitive price to Oman.

"Again we cannot comply with that because we are a member of OPEC and our quality is superior to Oman's. Even when compared with Arabian light of API 33-34, our crude light has an API of 35," he explained.

"We think that PTT is not interested in purchasing crude from Iran. We have therefore no further reasons to continue further negotiations. We will submit a report to our government and thus we will have therefore to buy agricultural products from other countries as Iran cannot hope to reduce trade deficits with Thailand," Torabian explained.

Chairman of Government Trading Corp of Iran Dr M. Mo-Vahedizadeh said because of failure over the crude oil trade, "it would be difficult for me to go to my government and say we will purchase agricultural products from Thailand while the current trade deficit goes against us."

He explained that Iran, before the revolution in 1979, normally imported between 75-80 percent of rice from the U.S. when very little grade was conducted with Thailand. But after the revolution. [sentence fragment as published]

The Iran delegation led by Deputy Commerce Minister Mojtaba Khosrowtai left Bangkok last evening for Tehran.

CSO: 4200/971

THAILAND

BRIEFS

ASEAN REVIEWS INVITATION--A reliable source told MATICHON that the meeting of senior ASEAN officials in Brunei recently decided that ASEAN should take diplomatic measures to have the Australian Government review its invitation to two leading members of the Heng Samrin government to visit Australia 20-29 May. Australia does not recognize either the Heng Samrin government or the CGDK but has invited one of the two governments claiming to represent Cambodia. According to the source, which attended the ASEAN meeting, on 22 May Malaysia invited the Australian ambassador for a meeting over the matter. Sawanit Khongsiri, director general of the Information Department of the Foreign Ministry, told MATCHON that ASEAN and Thailand have expressed displeasure to Australia for inviting officials of the Heng Samrin government for a visit and that Malaysia, which is chairman of the ASEAN standing committee, is acting on behalf of ASEAN. [Text] [Bangkok MATICHON in Thai 24 May 85 p 16]

CSO: 4207/214

MILITARY AFFAIRS AND PUBLIC SECURITY

LOCAL PUBLIC SECURITY UNABLE TO HALT ILLEGAL COAL SALES

Hanoi QUAN DOI NHAN DAN in Vietnamese 16 Apr 85 p 3

['Readers' Letters column: "Arbitrary Sales of State Coal"]

[Text] At 0900 on 15 March on a section of the river in the Ben Trai area of Tien Phong Village, Ninh Thanh District, Hai Hung Province, the people reported that a boat convoy hauling coal was selling the coal to a number of bamboo boats and people on the bank. When I reached the location, I found that the boat convoy belonged to the army. The number of the still new tug pushing four barges was indistinct but we noted that the numbers of the two barges on the bank side were 71-14 and 71-12. When I arrived, I saw that two bamboo boats loaded with coal were leaving the tug and others were moving in to load. Two young men on the barge insolently stated, "We are selling state coal and trading it for chickens to eat and no one has the authority to forbid it." They also changed their tune to threats. Even worse, no one in the boat convoy opposed the erroneous actions of these two men, all being in sympathy with their coal sales. I could not stop them myself so they continued to sell state coal.

I suggest that unit commanders with such barges transporting coal on the inland waterways inspect and institute methods of immediately halting this arbitrary action.

Vu Tuy
Hai Hung Public Security

7300
CSO: 4209/409

INTERNATIONAL RELATIONS, TRADE AND AID

JAPANESE ROLE IN CAMBODIAN PROBLEM CRITICIZED

Hanoi NHAN DAN in Vietnamese 20 Apr 85 p 4

[Unattributed article: "Erroneous Actions by Japanese Authorities"]

[Text] The Japanese government recently decided to present the Kampuchean problem for discussion at the summit meeting of seven developed capitalist nations to be held from 2 to 4 May in Bonn (Federal Republic of Germany). Tokyo is acting as an intermediary for the countries attending this summit meeting to issue a declaration "demanding that Vietnam withdraw its troops from Kampuchea"! They have also appealed to the nations of the West to assist the "refugees" of Kampuchea!

These are extremely erroneous actions by the Japanese authorities that blatantly and crudely interfere with the internal activities of the Kampuchean people who are returning to life and wish to live in peace and stability. By presenting this problem for discussion at Bonn, the Japanese authorities illustrate their attitude of leaning toward the Beijing reactionaries and accompanying them in resisting the independence and sovereignty of the people of Kampuchea and the revolutionary undertaking of the three nations of Indochina.

The actions above by Japan are lost at a time in which several new changes have occurred in the situation of this area. Many people and many nations in the world are extremely concerned about finding a way of eliminating the Pol Pot gang and advancing toward a solution for the Kampuchean problem. However, the Japanese authorities are concerned about appeasing the Pol Pot gang and other tattered reactionary Khmer groups, and in joining Beijing and Bangkok to resuscitate them. Their viewpoint closely resembles the Beijing and Bangkok lines. Moreover, they are stepping forward to serve as bait with the purpose of seeking additional spiritual and material "aid" for the reactionary Khmer gang in resisting the people of Kampuchea and maintaining the tense situation in Indochina and Southeast Asia. Those closely following the situation in this area all recognize that Tokyo is assisting the hegemonic expansionist policies of Beijing and reactionary powers among the Thai authorities. Japan intends to draw the seven capitalist nations into a filthy business and plot to stop the progress of the Kampuchean people.

At this time, those who understand the situation and have a little conscience and reason all know that maintaining and assisting the reactionary Khmer remnant troops is an immoral action obstructing the road to a solution, and increasing the confrontation and dangerous threat to peace and stability in the area.

The policy of the Japanese authorities not only closes its eyes to reality but is also contrary to the general trend and to the interests of the Asian-Pacific people, including the people of Japan. Before the eyes of the people in the nations of Indochina and Southeast Asia, these filthy actions by the Japanese authorities cause anger and recall shameful images of the Japanese fascists in this area 40 years ago. Is the role desired by the Japanese authorities in Southeast Asia to follow Beijing in nurturing the reactionary Khmer gang and to closely embrace the corpse of genocide?

Anyone who contributes to peace and stability in Indochina and Southeast Asia deserves praise and respect; but anyone who acts contrary to that trend will be resolutely resisted and lose hook, line and sinker.

7300
CSO: 4209/412

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI SUPPORTS LAO PROTEST TO THAILAND

BK250241 Hanoi Domestic Service in Vietnamese 1430 GMT 26 May 85

[Station Editor Dao Nguyen commentary: "Thailand Must Immediately End Its Provocative Acts Against the LPDR"]

[Text] Plotting against the LPDR, in the past few days the Thai side has again sent its troops and armed boats into Lao territory to disturb the peaceful life of the Lao people along the border.

On 18 May, Thai troops from two patrol boats in the Mekong River landed at Svay and Pasang hamlets, Ban Hom Village, Hatsuifong District, Vientiane Province, captured a Lao peasant working in a ricefield, and tried to rape a Lao woman.

The following day, 19 May, these same two boats went to Tha Na Hamlet, Bo-O Village, Hatsuifong District to conduct provocations and harassment. These new provocative and harassment activities which fall in line with the system of destructive plots against the LPDR, have been carried out by the Thai side for several years now. Although it has been severely denounced and condemned by the Lao side, the Thai side does not relinquish its hostile activities, continually straining the Lao-Thai border situation and threatening the stable life of the Lao people living in the area stretching from the Thai border to the two countries' common southern border with Cambodia.

Typical of the hostile activities was the invasion of three Lao hamlets in Sayaboury by Thai troops. Although the Thai troops have retreated, the Thai side still frequently sends its intelligence reconnaissance agents to the three Lao hamlets and has, at the same time, fired artillery shells into populated areas.

These provocative acts of the Thai side have violated more grossly and brazenly with every passing day the sovereignty, security, and territorial integrity of the LPDR, and have encroached on the border treaty which both countries signed in 1979. Noteworthy was that these recent provocative acts of the Thai side against the LPDR occurred at a time when Thailand was further accelerating its armed activities against the PRK and its propaganda campaign to distort and slander the presence of Vietnamese volunteer troops in Cambodia.

Thailand's plots and acts run completely counter to its statements on peaceful goodwill toward Cambodia, Laos and Vietnam.

On 20 May, the PRK Foreign Ministry spokesman denounced before the world public the hostile activities of Thailand against Cambodia. At the same time, the spokesman pointed out that these hostile activities serve no other purpose than to continually help the remnant Pol Pot troops sabotage the great revival of the Cambodian people at present.

On 21 May, the LPDR Foreign Ministry stressed in its aide-memoire handed over to the Thai ambassador in Vientiane that Thailand must immediately end its provocative, harassment, and irresponsible acts against the Lao people in the Lao-Thai border area, and that the Thai side must bear all responsibility for its acts against the Lao people.

CSO: 4209/414

PARTY ACTIVITIES AND GOVERNMENT

LE DUC THO, MAI CHI THO PROFILED

Sydney THE SYDNEY MORNING HERALD in English 6 Apr 85 p 13

[Article by David Jenkins]

[Text]

MAI CHI THO, the man who runs Ho Chi Minh City and who is said to be responsible for security for all of southern Vietnam, is a member of one of Vietnam's most politically prominent families.

His older brother, Le Duc Tho, is officially ranked number five in the politburo in Hanoi but appears to be the effective number two, after the party secretary-general, Le Duan.

Le Duc Tho was awarded but declined to accept the 1973 Nobel Peace Prize, for which he and the then US Secretary of State, Dr Kissinger, had been jointly nominated.

Another brother, Dinh Duc Thien, was until 1982 the Minister for Communications and Transport.

But Mai Chi Tho, who has spent much of his life in the security field and who is tipped by some as the future head of a new security body modelled on the Soviet KGB, is not a man to reveal much about his background.

"If I were from a normal family," he said, "I could tell you about myself but [in my position] it is difficult to answer personal questions."

Analysts of Vietnamese affairs believe that the brothers came from a scholarly and perhaps privileged background. And Tho acknowledges that he attended a lycée in the old imperial city of Hué between 1934-36.

Other prominent Vietnamese who went through that institution

include To Huu, who is two years older than Tho, and Tran Quynh, both of whom are deputy premiers. To Huu is generally regarded as a hardliner and in opposition to the more liberal policies pursued by Le Duc Tho and Mai Chi Tho.

But Tho has other reasons for not wanting to talk about himself.

"There are many people who took part in the revolution and who are still alive but there were many who died and we appreciate their efforts. Especially the efforts of the young people who were killed during the war."

"They were too young to enjoy anything, too young to be married, and they died. It is inappropriate to be talking about myself when so many others have died."

Mai Chi Tho joined the revolutionary struggle against the French when he was 14 or 15, never believing, he says, that that revolution would be successful.

"We never thought we would achieve success. But we tried. And I never thought that I would achieve a position of success. I was one brick that was used to make a road."

Tho spent much of his revolutionary career in the south, some of it underground in Saigon, and was named chairman of the people's committee, the city's main administrative body, after serving as chief of public security for the city.

He is a big man, forceful and self-assured, with a robust sense of humour. Like other prominent Vietnamese leaders, he receives

guests in casual attire, favouring open-neck shirts with short sleeves.

Vietnamese who knew him during the revolutionary struggle in the south say he is strong-willed and energetic, as is his older brother.

"The problem with Le Duc Tho and Mai Chi Tho is that they feel that you are either for them or against them," one source said. "You are expected to do what they expect you to do."

If Mai Chi Tho were to head a new security ministry, analysts say, it would greatly strengthen the faction of his brother, Le Duc Tho, who is often spoken of as a successor to Le Duan. Duan appears to be in reasonable health but he is said to have prostate problems and makes periodic visits to the Soviet Union for rest and recuperation in the Crimea.

And while such a promotion would in theory undermine the position of the Interior Minister, Pham Hung, who has jurisdiction over security matters, this might in fact be more a blow to Pham Hung's deputies, who are seen by some as the real powers in that ministry. It could also prove a blow to security men in the party and the army, both of which are said to have their own security services.

Questioned about rumours that he may soon move to Hanoi in this new capacity, Mai Chi Tho threw back his head and laughed, giving every indication that he found the suggestion enormously entertaining.

"I am sitting here and talking with you right now," he said, adding cryptically: "I think the position is suitable for a suitable person and I am an optimist in looking to the future."

One well-placed source in Ho Chi Minh City said Tho was probably perfectly happy where he is.

"Mai Chi Tho doesn't want to go to Hanoi," he said. "He prefers Ho Chi Minh City. This city is very rich, very important. There is no infrastructure in Hanoi. If you want to build something, the place is Ho Chi Minh City. Hanoi is the capital for the prestige of the north but this is the important place."

However, it is known that Tho spent four or five months in Moscow last year, apparently undergoing high-level instruction in security matters. This trip would clearly have been undertaken not only with the approval of Le Duc Tho, who has a high regard for the Soviet Union, but with the backing of the politburo as a whole.

Le Duc Tho and Mai Chi Tho are said to get on well, despite rumours some time ago that they were feuding. And there is once again talk of Mai Chi Tho getting a place on the 13-man politburo.

For Le Duc Tho there would be obvious benefits in having a brother who was a powerful force in the security field and a member of the politburo to boot.

However, such a move might have to be made progressively in order to take account of the sensitivities of the Interior Ministry. One possibility being discussed is that Mai Chi Tho might be appointed to head a new depart-

ment within the existing security bureaucracy, perhaps looking after some limited area such as the security of foreign embassies and the guarding of re-education camps. At some later stage, it is suggested, his area of responsibility could be expanded.

Mai Chi Tho has hitched himself very strongly to the liberal economic policies being pursued by the Deputy Premier, Vo Van Kiet, and these policies have now won the backing of Le Duan.

If Le Duc Tho were eventually to replace Le Duan, it is thought that he might well want Vo Van Kiet as prime minister. This would be a popular choice because Kiet, dapper and westernised, is associated by ordinary Vietnamese with the economic policies which have helped boost living standards of late.

For the time being, the Vietnamese leadership remains as stable as ever, with Le Duan heading a government in which veteran revolutionaries like the Prime Minister, Pham Van Dong, and the Chairman of the State Council, Truong Chinh, remain of central importance.

Of these, Dong in particular is a much loved and much respected figure. But he, like the others, is getting on and analysts note that the card house, so artfully constructed and so admirably reflecting the importance of the various party groupings, will come down when these leaders are no longer around.

At that time, Le Duc Tho could be the man to watch, with Mai Chi Tho playing an important supporting role.

CSO: 4200/960

17 June 1985

PARTY ACTIVITIES AND GOVERNMENT

PHAM VAN DONG ADDRESSES VINH CITY MEETING

OW261157 Hanoi Domestic Service in Vietnamese 1100 GMT 21 May 85

[Text] On the occasion of the great President Ho Chi Minh's 95th birthday, Comrade Pham Van Dong, member of the CPV Political Bureau and chairman of the Council of Ministers, visited Ho's native home, and attended the celebration of his birth anniversary, jointly organized by the Nghe Tinh Provincial Party Organization and People's Committee of Vinh City.

Comrade Nguyen Ky Cam, member of the party committee, secretary of the provincial Party Committee, and chairman of the provincial People's Committee, comrades from the Fourth Military Region Command, and large numbers of cadres and personnel in Nghe Tinh Province, enthusiastically welcomed Chairman Pham Van Dong.

On the morning of 19 May, Chairman Pham Van Dong paid tribute at the tomb of the mother of the venerated and beloved Uncle Ho, Mrs Hoang Thi Loan, at Dong Tranh, on Dai Hue Mount, in Nam Giang Village, Nam Dan District, recently built by the Nghe Tinh people and Fourth Military Region troops. At the tomb, Chairman Pham Van Dong burned joss sticks, and respectfully bowed before the tomb while saying: I wish to express my profound gratitude to you, who gave birth to, and raised, President Ho Chi Minh, the great son of our people, the man who brought glory to Vietnam, the man to whom all Vietnamese, generation after generation, will forever be grateful.

I respectfully wish you an everlasting, peaceful rest in our eternally beautiful Vietnam.

Chairman Pham Van Dong also visited Uncle Ho's maternal native place, in Kim Lien Village, and lingered for a while in the thatched-roof house where Uncle Ho was born, and visited Sen [Lotus] Village, his paternal native place, where he spent 6 years of his childhood. He also visited the Kim Lien Museum, and had a talk with large numbers of cadres and people from Nam Dan District and in Kim Lien Village on the task of economic and cultural development, in order to build Uncle Ho's native place and make it increasingly prosperous and beautiful, serving as a model for the whole country.

Chairman Pham Van Dong addressed a solemn meeting marking Uncle Ho's birthday, attended by more than 500 comrade veteran revolutionaries, cadres, troops, and people of Nghe Tinh Province.

Following is the full text of the [announcer-read] address by Chairman Pham Van Dong. Comrade provincial leaders, dear comrades and compatriots in Nghe Trinh: On behalf of the party Central Committee and the Council of Ministers, I cordially convey to you, and the compatriots in the provinces, my warm greetings and ardent feelings.

This year, while commemorating our people's historic anniversaries, recollecting the stages we have traversed, looking back on the past years of the 20th century, watching the outside world from our country, directing our thoughts from the present to the future, we have a better, more profound understanding of President Ho Chi Minh. The image of a so-close, so-affectionate, and no-noble Uncle Ho appears in the minds of everyone of us.

The entire history of our nation had laid the groundwork for the birth of a new era of our people--a harmonious combination of Vietnam's genius and Marxism-Leninism, the light, the truth, the quintessence of our time, embodied in President Ho Chi Minh, the founder of our party, our state, our national united front, and our people's armed forces, who, together with our party, led the Vietnamese revolution in weathering so many storms, and winning one victory after another, before we scored the glorious, ultimate victory, whose anniversary we are celebrating this year.

After the great Russian October Socialist Revolution, from the early 1920's, and throughout his revolutionary life, President Ho Chi Minh had a wide range of views, encompassing history--past, present, and future--and space, envisaging future events and great turning points, and took our people from their life as slave toilers to the bright era of independence and freedom, from a little-known country, to one symbolizing the struggle for national independence and socialism, loved and admired by the whole of progressive mankind. With his strategic outlook, he decided that the way to national salvation is the proletarian revolution, in which national independence harmoniously merges with socialism, patriotism is closely linked to proletarian internationalism, and the national liberation revolution is interwoven, in time and space, with the socialist revolution in each country, and on a global scale.

This very outlook, and our people's revolutionary cause, have aroused, stimulated, and organized all the strength, talent, and wisdom of our nation, and forged Vietnam's revolutionary heroism, the source of all victories.

President Ho Chi Minh linked the Vietnamese revolution to the world revolution, considering it an integral part of that revolution, and considering the latter a very important mainstay and source of strength for the former. He brought the light of Marxism-Leninism to the three countries on the Indochinese peninsula and, right from the beginning, cultivated the special, militant solidarity between the peoples of Vietnam, Laos, and Cambodia. President Ho Chi Minh had confidence in, and entertained marvelous feelings for, the Soviet Union and other socialist countries, the national liberation movement, and the working class movement in all countries. He was a patriot, struggling for his own nation, and at the same time, a militant in the world revolutionary undertaking, who earned profound respect from people in the socialist countries, oppressed peoples, and the working people the world over. He is the epitome of proletarian internationalism, as shining as sunlight.

From that outlook, President Ho Chi Minh, throughout his life of activities, always dominated situations, time, and circumstances, and always took the initiative; the greater the difficulty, the greater his initiative. No matter how confused and complicated the situation might be, he managed to create circumstances rising to the occasion, advancing, and triumphing. On many occasions, he came up with simple, but marvelous, solutions, under critical circumstances. Such a capability of taking the initiative was the crystallization of thoroughly absorbed revolutionary theories, experiences in revolutionary struggle, confidence in our people and history, and the wisdom of our Vietnamese peoples.

President Ho Chi Minh, leader of our party and people, an outstanding militant in the world revolutionary movement, is a Vietnamese, simple in his life, simple in all his acts and manners, simple in all his contacts with other people. That simplicity stemmed from his qualities as a revolutionary incarnate.

Uncle Ho personifies our people's virtues, namely: diligence, thrift, integrity, uprightness, justice, and impartiality, whose practical, and important, significance we should now bring into relief. He was a genuinely human individual, a revolutionary fighter, a communist, and a leader. In his contacts with whomever he met, be they children, combatants from the armed forces, elderly people, or foreign countries' leaders, he always manifested his simplicity and affection, and left vivid impressions on them, along with beautiful souvenirs. In his presence, everyone felt at home, so close to him, because Uncle Ho found his image mirrored in other people who, in turn, could see themselves reflected in him. His trust in other people was so pure, so immaculate. He believed that all Vietnamese could become patriots, all Vietnamese workers could become socialist, revolutionary combatants.

As reflected in his testament, Uncle Ho is a source of tremendous love and affection for each and every Vietnamese; his image remains vivid forever in our minds, in our country as a whole, and in our people's revolutionary cause.

Dear comrades and compatriots, Nghe Tinh, Uncle Ho's home province, is a cornucopia of heroes and eminent people, great national poets and writers. In the history of our country's revolution, Nghe Tinh is one of the localities which have the earliest, most glorious revolutionary traditions. Being the land of the glorious Nghe Tinh Soviet Movement in 1930, it is the place from which emerged an important part of the first Vietnamese Communists, among them top party leaders.

From the pre-August revolution period, through the wars of resistance, to today's national building and defense of the socialist fatherland, Nghe Tinh has made its worthiest contributions as a locality to our country; also, it has sent so many of its sons--combatants, cadres, intellectuals--to all parts of the country, and to the two fraternal neighboring countries, where they are discharging their internationalist obligations.

Nghe Tinh people are a valuable asset of the locality, and of our country as a whole. Nghe Tinh is one of our country's most populous and largest provinces

and municipalities. Its geo-economic position is important to Vietnam and to all of Indochina. It is a Vietnam in miniature. The province--and even some of its districts--has all four regions: delta, midland, mountain, and coastal, with tremendous and diversified natural resources.

Let the Nghe Tinh provincial party organization and people develop their great capability in labor and natural resources; strive to promote overall agricultural production all the four regions; carry out intensive cultivation and multicropping to increase rice yields, while opening up new lands; coordinating agricultural, forestry, marine, and industrial production; expanding the small industry and handicraft sectors; stepping up the consumer goods industry, and building heavy industry, especially building Vinh City systematically to make it an important industrial center of Central Vietnam and of the entire country.

Let the entire Nghe Tinh Province's people, in all its districts and installations, be staunch, talented fighters in nation building and in the defense of the socialist fatherland, worthy of being the people of Uncle Ho's native province.

On the occasion of Uncle Ho's birth anniversary, and this year's historic anniversaries, let the Nghe Tinh provincial party organization and people devote all their energies to implementing Uncle Ho's strong recommendation in building Nghe Tinh into a model province, with many model districts, enterprises, state farms, cooperatives, schools, and hospitals, with a decent people's life, a healthy society, and virtuous people, with fine feelings and good relationships.

Let the Nghe Tinh people, together with the people countrywide, be of one mind, rally around the party Central Committee, headed by Comrade General Secretary Le Duan, and strive to implement Uncle Ho's sacred testament, "Our mountains will always be, our rivers will always be, our people will always be. The American invaders defeated, we shall rebuild our land 10 times more beautiful."

CSO: 4209/414

ECONOMIC PLANNING, TRADE AND FINANCE

ECONOMIC ASSOCIATION FORMULA STRONGLY ADVOCATED

Hanoi NHAN DAN in Vietnamese 20, 21 Apr 85

[Article by Nguyen Gia Ngo: "Economic Association, One of the Current Problems of Economic Management Renewal"]

[20 Apr 85 pp 1, 4]

[Text] The gist of association, joint enterprise, federation, etc. is economic association, an organization and management formula creating a special turbulence in the economic life of all local areas from the highlands to the lowlands and coastal areas and in all production and business sectors. This formula has become excessively turbulent due to its application to economic areas and echelons not directly related to production and business. For the past few years, closely connected with creation of a formula for plan equilibrium from four sources, the association formula has been universally applied to all sectors, echelons, units and primary level units engaged in economic activity. The more locations accomplish, the more outstanding the role of economic association in overcoming difficulties and stimulating economic development at a high rate. It is truly strange that association--an advanced organization and management formula of large-scale production in the world--when applied to small-scale production so rapidly produces such a classic nature and gradually changes slow, bureaucratic, dispersed and subsidized work methods when not long ago, that management mechanism was still administered like almost every other activity in economic, cultural and social life.

Nevertheless, because the process of applying a new organization and management formula to life has, along with the active results, also not a few deficiencies and even deviations, economic effectiveness is restricted to a relatively great degree and on the other hand, these deficiencies and deviations obscure the active significance and progressive nature of the new organization and management formula. If good achievement of the association formula is organized, surely the present rich economic potential capabilities will more strongly develop and great changes will occur in the rate of production development, quality, effectiveness and other aspects.

Although association and joint enterprise have become familiar terms to nearly everyone engaged in economic activities in all sectors and echelons, including the primary level, it is in reality not because it is not still new in theme and achievement formula. Therefore, the Council of Ministers recently promulgated the policy on association in economy, systemized a new economic management position in the spirit of the Resolution of the Sixth Plenum of the Party

Central Committee, and provided guidance in proper compliance aimed at highly developing the potential production and business development capabilities and overcoming part of the difficulties in material equilibrium conditions in order to strengthen planning and to simultaneously gradually advance the economy into the orbit of large-scale production and to achieve socialist economic accounting and business.

Association is a formula for developing the cooperation system which can cover all components in one or many sectors directly related to each other in the process of producing each type of specific product, causes the production process to be thoroughly understood, assures the closest coordination in technical as well as economic requirements, eliminates the intermediate obstacles and produces high level planning while simultaneously strengthening the production specialization standards of the association participants. In other words, outstanding characteristics of the association formula are the essential relationships in production reunited by organization. Thus, in the scientific aspect, association is also defined as uniformization. It is in itself a form of effectively achieving the collective ownership system in production. In our country, we have begun to apply the new management organization formula under the form of enterprise federations in the tea, sugar, vegetable oil, jute, tobacco, bicycle, etc. production sectors; however, the economic organization and management mechanism in many federations has not yet fully expressed the basic principles of the economic association formula and consequently, has not yet strongly developed the superiorities of the new organization and management formula and its active effect on production is still extremely limited.

Closely related to the characteristics of production organization, the superiorities of the association formula are outstandingly expressed in the profits distribution mechanism. The most fundamental distribution principle of the association formula is that the activities of every sector, component and labor type in the production process are closely connected with the final production result, harmoniously coordinating the economic benefits of the members as well as assuring state obligations. The organizational aspect characteristic noted above--that is, the close connection between association members to achieve collective ownership in production--is the objective foundation for achieving that distribution principle. The superiorities mentioned above are of great importance to sectors or components producing raw materials in their relationship with the processing industry because there has long been in the relationship between two sectors and especially between agriculture and the processing industry in reality a smoldering contradiction. This distribution principle stimulated agriculture to increase productivity, raise product quality, assure timely supply, correctly answer industrial requirements, etc. because all of these norms are assured by economic benefits in the production results. The more agriculture is able to supply many raw materials and the better quality those raw materials are, the greater the benefits and conversely, if production encounters unfavorable natural conditions causing expenses to rise, not by themselves can agriculture bear the losses or industry enjoy overnight benefits as before. In the relationship between sectors, service organizations for agricultural production or industry are the same. The efficiency and quality of support are expressed in the final production results; when prompt support of high quality develops a good effect on agricultural or industrial production

results, the service organization also enjoys appropriate benefits. This supervision principle encourages service labor to develop collective ownership in "wholehearted" concern for production results. This mechanism of assuring reasonable benefits is an extremely effective method for overcoming negative occurrences such as "collusion" and "bribery" which create many bad effects in the production process.

Also following the harmonious coordination of economic benefits with final production results is the close connection of scientific labor with production. Because technical science is a direct production force and a special type of labor, it will, if closely connected with production, develop extremely great results.

Because they knew how to reorganize activity, a number of colleges during the past year coordinated study with research and the application of science and technology to production to create a source of secondary product income worth tens of millions of dong to each school. The source is called secondary because it is not the primary function of the school but its large scale doubles the income fund by many times. We have ranks of nearly 30,000 scientific and technical cadres but their active affect on production is still extremely limited and does not correspond to the size of that force. The formula of association on an economic basis itself is the most appropriate method for strongly developing the role of "grey matter" in production, shortening the winding and tortuous road from the research laboratory, and leveling the road to the factory and field.

There are presently countless major and urgent problems appearing in production and we have expended no little effort and time in their solution but the results attained have been relatively low, have not answered the requirements, and are not yet fundamental. For example: in the food industry, why has the quality of tea declined compared with before while machinery and equipment are unceasingly renewed in a modern direction? Why are agricultural raw materials supplied to industry not assured in quantity and quality while production conditions are more favorably improved than before? Why are those responsible for assuring electric power for industrial production and drought resistance in agriculture not concerned about fulfilling their mission and even in some locations creating confusion for production? Why doesn't the large "grey matter" army of tens of thousands develop and strongly affect production? Could it be that they are lacking in ability? Why didn't the campaign entitled "River and Mountain Rearrangement" aimed at labor reorganization at the district level to exploit the potential economic capabilities of hilly, mountainous and coastal land previously conducted in Quynh Luu District with an air of revolutionary warmth and action to initiate the campaign to build the district level not produce the desired results? And so on and so on.

The cause of these occurrences can be generalized as the formula for achievement of coordination between agriculture and industry or conversely between industry and agriculture and between production and technical science, or between different labor units in each sector, etc. not being suitable in either the organizational or economic aspects, including the key problem of not yet assuring appropriate economic interests for coordination participants, and not harmoniously coordinating the interests of every related sector and every laborer in the production development process. Not only that, inconsistency in

the distribution mechanism causes the management organization system to become cumbersome and to increase by many intermediate layers such as unnecessary service, bureau and corporation levels to create confusion and complexity in achieving the management position and policy of the state, not to mention the serious violation of the united centralized supervision principle of the central government. Actual experience has indicated that economic benefit is an extremely important motive force and consequently, the role of the incentive policy in relations between three methods, economic, ideological and administrative, has the most decisive significance. It seems that not a few people have a misunderstanding of the production stimulation role of the administrative method and consequently are fond of giving orders; or it could also be that it is the easiest method! The spiritual and ideological method is the same; although extremely important, the effects are truly limited. However, regarding economic methods, not all can assure the best economic effectiveness or have the most basic significance. At the present time in many locations, a universal situation is the application of methods of "collusion" and "travel by night" with valuable and scarce goods, and mutual "bribery" and "extortion" under many forms contrary to current management regulations but still camouflaged under the appealing label of: association. These methods can develop a few immediate but absolutely not fundamental effects which cause far-reaching harm in many aspects. For this very reason in a number of locations, the forms of "false" association cannot strongly survive and are gradually eliminated.

The Council of Ministers decision clearly defined the supervision principle of handling economic relations between related parties in the business and production process: "Association achievement must be on a voluntary basis in a spirit of socialist cooperation, joint benefit, and assurance of harmonious coordination in economic benefits for the participating parties." It is necessary to fully understand the distribution mechanism of "joint benefit and assurance of harmonious coordination in economic benefits." It is a management method with a deep scientific and practical foundation; a basic factor of decisive significance in developing and strengthening the association formula; a standard for evaluating the accuracy of association forms; and a material basis for assuring the collective ownership mechanism of workers, farmers and intellectuals in the industrial and agricultural production sectors and in circulation. This mechanism is also a basis for eliminating the deceptive opposition between industry and agriculture and between manual labor and mental labor in the production process due to the previous bureaucratic and dispersed management organization mechanism. The new mechanism truly has an effect of associating all types of labor in related sectors and components directly with each other to form collective owners in production as well as distribution; causes the relations between sectors or components supplying raw materials to processing not to follow the "definitive purchases and sales final" formula; prevents the relations between technical science and production from becoming a one-sided "assistance"; and allows the income of every type of labor in the production process to be closely connected with the final results. It is possible to state that with the economic association formula, the coordination system we have constructed has to this time made progress both in scale as well as in standards.

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[Text] In order to assure satisfactory achievement of the new organization and management mechanism, economic association activities must be introduced to organization following many appropriate low to high level forms. The appropriate forms for organizing association in the immediate period are defined as:

-Association within each definite program and each definite step in the goods production process within a fixed period of time.

-Joint enterprise by economic units together building production and technical service facilities with the joint capital and labor of the independent members, and with a corporation status.

-Coordination between enterprises, state farms and cooperatives in associating the processing industry with the production of agricultural raw materials and forestry and marine products.

-Association between enterprises in the same production sector.

-Association of technical science and technical development facilities with primary level production and business units.

The forms above can answer the requirements of organizing association with economic activities from within one sector and area to one production or business facility and one job component; namely to organize association with different large and small-scale conditions and high and low standards.

Special attention must be given to the difference in the forms of achieving association in order to fittingly apply them to specific economic conditions and organization and management capabilities. One form or another must not be solidified, especially the most perfected forms of achieving economic association, because that will easily lead to compulsion, dogmatism, mechanicalness and inconsistency with actual conditions and from there to a failure to achieve the desired results.

Low-level forms such as the achievement of association in each job component, each development program, etc. are steps of a transitional nature but are of extremely great significance. This is an organization formula creating the conditions for the strong and gradual development of economic units or of each local area while still maintaining the stability of economic organizations and facilities. In agriculture, on the way toward promoting grain while simultaneously and gradually developing total production, these low-level association forms are extremely effective organizational and management methods for developing the potential economic capabilities of the land, climate and labor and for introducing agriculture gradually but at a rapid rate to the orbit of socialist large-scale production. It is the same with industry; these low-level forms have an effect of well-developing the potential production or service capabilities of present enterprises and technical trade facilities without fully utilizing machine and equipment capacity. We have had lessons on the fast and impetuous construction of large-scale agricultural production facilities burdened with the inability to clearly achieve objectives in economic

effectiveness and in developing systems of specialized coordination and labor assignment without emphasizing an improvement in a mechanism of distribution and income suitable to production conditions changing due to newly created production relations; these shortcomings have created no small amounts of wasted manpower and wealth. Consequently, achievement of the transitional forms must be emphasized. In the final analysis, the capabilities of a manager are primarily expressed in the creative choice of forms and steps of a transitional nature applicable to the objective and specific production and business conditions and are absolutely not in the dogmatic and mechanical application of forms even if they are considered the most progressive and idealistic, especially the advanced forms of foreign countries.

The association activity theme includes: cooperation and labor division in production, raw material supply, application of new scientific and technical advances, labor, machinery and transportation exchange, and production consumption. The most fundamental course at the present time is the association of material and technical factors in order to develop production, to increase the volume of products for society, to increase capital accumulation and to improve the lives of the people. Consequently, the primary elements implementing economic association are units engaged in economic activity and directly managing production and business, especially the primary level units because only at that level are found the objective requirements necessary for associating related components to develop production, reduce expenditures and increase economic effectiveness. The requirements for assuring the raw materials needed for processing, especially those from agricultural, forestry and marine products, in the quantity and quality for stable and scheduled supply to processing enterprises, or the requirements for assuring the service of industry to production such as energy, transportation, etc. also occur primarily at the primary level. Primary level production and business units must be provided guidance in the handling of these production relations in accordance with a proper association formula in order to assure rational, stable and strong production cooperation and labor division. Organically related economic units must be introduced to the organization of suitable low to high-level forms, cooperation and labor division activities must be brought into formal economic contracts, and a mechanism of income distribution following the principle of "joint benefit" closely connecting labor with final production results as noted above must be applied.

Achievement of association on a large scale also requires thorough understanding of production development and increased economic effectiveness objectives. If production and business truly has a requirement for achieving cooperation and labor division on a nationwide scale, a form of nationwide federation is applied; if a requirement exists for cooperation on only an zone or subzone level, a form of zone federation is applied. It is necessary to wholeheartedly avoid bureaucratism and formalism not originating from the effective economic objective but only from the desire to apply a large-scale nationwide federation form.

One principle in examining standards for evaluating the results of association achievement as well as those for differentiating between true and disguised association is that, "Association activities must be partially expressed by an increase in products and profits distributed between members of the association

organization, and partially by the products and funds deposited in the state fiscal budget." There are also specific norms expressing the basic economic objectives: the production development and increased effectiveness mentioned above.

In order to assure that association is stable, economic association activities must be planned, that is, fully expressed in the system of state plan balances of the sector, local area and primary level unit, and expressed by economic contracts between association organization participants. Those "travel by night" activities which are actually "collusion" and "bribery" camouflaged under the association form and not expressed by economic contracts are extremely damaging. Their most easily observed effect is an increase in production and business expenses which are illogical ("expenditure negativism!") and excessive (due to many stepped-levels) with a resultant increase in product costs (a number of locations presently have occurrences of high priced goods which cannot be sold and stockpiled goods in large quantities). Even more serious, they disturb the economic relations between sectors, echelons and primary level units; create difficulties for concentrated and unified operation by the central government and upper level management agencies in general; and cause the already difficult task of plan balancing to become even more difficult. In short, these disguised association activities are in opposition to the need for strengthening the role of planning--a central management tool of socialist economy. In a situation in which the economy has many difficulties and the ability of the state to answer the strongly developing requirements of all sectors, echelons and primary level units is extremely limited, management demands that every sector, echelon, organization and primary level unit have an extremely high dynamism and develop special potential capabilities and superiorities of the sector, local area and primary level unit but at the same time, the situation demands an increase in the standards of organization and management in order to assure concentrated and unified supervision and to assure the general economic development position of the party and state. In other words, the role of planning cannot be minimized; on the contrary, it is increasingly necessary to emphasize and carry out planning with extremely versatile methods and forms. On the other hand, those "travel by night," "collusion" and "bribery" activities also spoil economic and social relations, contrary to the superior nature of socialist production relations.

The state strongly encourages achievement of association by economic benefits as expressed in the specific policies on prices, accounting, profit distribution and production consumption. These policies create favorable conditions for production and business units to achieve expansion of cooperative relations in order to develop production and raise economic effectiveness. The Decision of the Council of Ministers clearly defined the basic principles. Responsible state agencies are substantiating those principles into new policy systems for guiding achievement.

With the rich and multifaceted themes and forms for organization above, the association formula is a method for allowing the components (or work phases) in the production process of each economic sector to coordinate with each other such as the coordination of industrial production with agriculture, forestry and marine products; production with circulation; exports with imports; and the

economy with science and technology. Consequently, the policy of expanding economic association activities has the extremely important significance of assisting to strengthen planning in each primary level unit as well as on a society level. It is a system for building primary level plan equilibrium units in the most active and fundamental manner. The disturbances in economic activities at the present time are absolutely not caused by the economic association formula; on the contrary, if the economic association formula is properly applied, it serves as a basis for overcoming those negative occurrences. Thus, association is a matter of extremely effective significance.

In the production relations aspect, economic association is also a method for coordinating state-operated economic units with collective and family economies in which the state-operated economic element has favorable conditions for developing a guiding role in technology as well as economy, leading the collective and family economies into the orbit of socialist large-scale production in a gentle and highly effective manner. On the other hand, the association formula also creates conditions for economic units and production facilities to delve into specialization and development of their superiorities and potential capabilities in the best manner, especially in agriculture with an active effect in overcoming the situation of scattered production and self-sufficiency with the guild nature of small-scale production.

The economic association formula, in reality, has been applied for many years, closely connected with the formula of plan equilibrium from four sources. The results achieved have been extremely great and it may be said that the association formula is one of the primary factors creating the relatively good rate of economic development and changing the development course of many production sectors during the recent past. In a situation in which the supplies and raw materials of the state have not proportionally increased or, to state it more accurately, in which the material conditions are more difficult than before, industrial production during the past 4 years has had an average rate of increase of more than 10 percent, halting the downward trend during the previous period. During 1984, some sectors such as machinery achieved self-equilibrium in up to 40 percent of their materials, including a number of valuable items the state could not supply in sufficient quantities to answer production requirements, and increased the sector's production by 10 percent over the 1983 level; some enterprises, not considered crucial and therefore not supplied materials by the state or assigned production norms, achieved self-equilibrium in supplies and raw materials and operated fairly effectively. The weaving industry similarly last year achieved self-equilibrium in about 30 percent of its supplies and raw materials, etc.

Nevertheless, because economic association is extremely new and lacking in guidance, the application in many locations is not yet good with especially a lack of thorough and proper understanding of the basic principles. At the same time, due to the lack of specific regulations, the association formula has also failed to fully develop an active role even in the field in which applied. Due to these shortcomings, the fields of application and effectiveness are still extremely limited.

Not a few people still have no proper realization of the association problem or clear recognition of its scientific basis or its active significance in practice. Consequently, there is not yet concern for application with even confrontation by a number of still confused and oscillating deviations. With

promulgation of the decision on organizing economic association activities, the Council of Ministers has affirmed the scientific and practical basis of association while simultaneously clearly defining the organization theme and form of association, the application objectives and the principles for assuring highly effective achievement and strong application.

Association is an advanced economic organization and management formula of the world. In our country, although the economy has many of the special conditions of small-scale production, many difficulties, and imbalances in the development process, these conditions in themselves cause the scientific significance and effective nature of economic association to increase. By the initial results, life has proven the extremely active effects. Consequently, if we have necessary receptivity to the new management organization formula, active expansion of application and swift promulgation of specific management organization regulations, especially a mechanism of income distribution between the participants in association organization to harmoniously assure economic benefits, the effects of the new organization and management formula on social economic development during the present period will be extremely great in size as well as results.

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ECONOMIC PLANNING, TRADE AND FINANCE

EXPANSION OF SOCIALIST TRADE SOUGHT

Hanoi NHAN DAN in Vietnamese 5 Apr 85 pp 1, 4

[Editorial: "Expanding Two-Way Contract Purchases"]

[Text] Properly purchasing and controlling agricultural products, foodstuffs and industrial goods is not only a factor ensuring supply of essential commodities to cadres, workers, civil servants and the armed forces, but also an indispensable condition for intensifying socialist trade strength, dominating the unorganized market, transforming private commerce, and stabilizing prices and the people's standard of living. The two current purchasing formulas should be applied with vigor. Carrying out the sixth and seventh party plenum resolutions, sectors and localities are buying and selling at prices fixed by two-way economic contracts, and at agreed upon prices, but with emphasis on the contract approach.

In expanding that formula, many localities including Nghe Tinh, Vinh Phu, Quang Nam-Da Nang, Hau Giang, Thanh Hoa and Dong Thap provinces and Ho Chi Minh City, etc., have acquired large quantities of goods while accelerating production growth. In 1984, two-way contract purchases nationwide were up nearly 10 percent from the previous year's. Other contract purchases, including pork, peanuts, cigarettes, rush, metals, chemicals and household utensils, etc., have also increased noticeably. Many localities and basic units have begun to raise the spirit of socialist cooperation, working together to remove snags from contract purchasing, showing more flexibility in bartering through marketing cooperatives, and opening more stations and stores for direct exchange of goods with producers. This approach has resulted in closely linking production with supply of provisions, production with consumption of products, and production and supply with transportation; in limiting the lavish use of cash in the marketplace; in preventing at the roots speculators and smugglers from competing with the state for goods; and in creating conditions for a gradual exploitation of local potentialities.

In general, the peasants approve the two-way contract formula at current exchange rates; but in return, the state should carry goods suitable to the provinces' needs in sufficient quantities for exchange--building materials, for instance, are in great demand in the Mekong delta--and supplies should be shipped to rural areas on schedule. Whenever they have goods, the districts should distribute them according to plans, ensuring that those

really in need are entitled to buy, and that multiple resale attempts apt to steer goods into the hands of speculators will not occur.

Dealing between the state and peasants should be placed under unified leadership to permit exchange of goods at unified prices and rates. At present, in one single area there are many sectors having goods for barter with peasants (such as domestic trade, foreign trade, grain, etc.), and many echelons doing barter at different rates and prices, thus disrupting both the flow of goods and prices, even contributing to a continually upward price spiral. In some places, supplies and goods earmarked by the state for two-way contract purchases have been diverted to other uses, or to establishing a private reserve for subsequent sales in the market. At other places, private merchants have availed themselves of staple commodities, such as kerosene, to buy hogs and agricultural products for export, but only to resell later at high prices in the free market, rather than to peasants in exchange for their products.

Another improper tendency has occurred at a number of places--using great amounts of cash, purchasing only at agreed upon prices, buying at high prices and thus selling at high prices, running after free market prices, and especially raising agreed upon prices excessively high to ensure purchases. That tendency has exerted a bad impact on the marketplace, causing complex fluctuations in prices and difficulties to financial management by the state.

Expanding purchases at two-way contract prices is an urgent requirement aimed at developing production, therefore enabling the state to acquire increasing quantities of goods, and build the worker-peasant alliance in the economic field. A decisive factor in implementing the two-way contract purchasing formula is to set up a reserve for supplies and goods, provide production with services--pumping water, plowing and harrowing with mechanical equipment--and build material and technical bases. The reserve of supplies and goods should be firmly based on the notion of balance, right at the grassroots and local levels, relying primarily on domestic raw materials. While building a reserve for supplies and goods, one should effectively exploit local potentialities, expand contract relationships, and achieve economic association, joint production and harmony in each locality, region, then nationwide. The state should provide services, sell supplies, and advance supplies to producers in keeping with planting schedules, seasons and plans, so that it can subsequently purchase nearly all goods produced. State commerce should include additional consumer goods in two-way contract barter with peasants, especially essential items which all peasant families need. Only by doing so can we succeed in linking purchasing with selling, and in creating conditions for the state to firmly control production capabilities and needs, therefore enabling it to promptly meet demands of production for supplies, goods and services, guide producers to use supplies correctly according to norms, accelerate production growth according to plans, and care for the laboring people's standard of living. Superior echelons should guide, lead, supervise and control the two-way contract process, from signing time to implementation, in a regular, timely and strict manner. A resolute effort should be made to end lingering indebtedness, reciprocal misuse of capital, untimely and inadequate contract compliance, diversion of supplies and goods reserved for two-way contract purchases to business, and profitable barter

at different prices, settlement of bills outside banking channels, and violations of financial and market management regulations--all the practices that cause difficulties to economic management.

Expanding two-way contract purchases is a main step toward controlling goods, accelerating production growth, rapidly increasing the volume of goods at the lowest possible cost, and playing an important role in the struggle for price stabilization and market management.

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ECONOMIC PLANNING, TRADE AND FINANCE

ACTIVITIES OF NAVY ECONOMIC DEPARTMENT DESCRIBED

Hanoi NHAN DAN in Vietnamese 13 Apr 85 pp 1, 4

[Article: "Navy Economic Department Generates Capital, Supplies and Fuel Through Fishing and Processing Marine Products for Export"]

[Text] In 1984, by properly organizing shrimp fishing and by encouraging basic units to acquire all available marine products and process them for export, the Navy Economic Department not only cut back on government subsidies to compensate for losses, but also created an export value exceeding plans by 1 percent--a five-fold increase over 1983. After setting aside 30 percent of profit for improving cadres' and combatants' living standards, the department has used the remaining amount in foreign currency to expand production and generate the capital needed for purchasing fuel, fishing equipment and spare parts for distribution to units.

This year, expanding on the results of this new approach, the Navy Economic Department has made plans for catching 2,500 tons of sea fish and for processing 1 million liters of fish sauce, thus increasing the export value 22 percent over 1984. The Economic Department has replaced the system of providing flat supplies to basic units regardless of profits and losses with partial and general profit-and-loss accounting.

Taking into account scopes of activities, fishing areas, labor forces, supplied tools and equipment, the department has signed contracts on the quantity and quality of products according to each category of ship, each sea journey and each unit's capabilities. To raise the quality of the catch and maintain it at a steady level, the Economic Department in association with the Marine Products Exports Corporation (Ministry of Marine Products) has built, assembled, installed and put into commission modern processing and cold storage facilities on a distant island under management of the M-33 Group. The Economic Department has provided funds to the M-28 Group for repairing a fish sauce processing system and for building a diesel-operated ice-making production line capable of turning out 30 tons a day. The department has also helped the M-29 Group repair, renovate, and put into commission an ice-making production line capable of turning out 45 tons a day, and a fish sauce processing system capable of producing 100,000 liters of fish sauce a year.

ECONOMIC PLANNING, TRADE AND FINANCE

LOCAL PRODUCTION OF CONSUMER GOODS ACCELERATED

Hanoi NHAN DAN in Vietnamese 13 Apr 85 pp 1, 4

[Editorial: "Local Industry Speeds Up Production of Consumer Goods"]

[Text]. Fully grasping the resolutions of the Party Central Committee, local industry (including small industry and handicraft) has made new advances in consumer goods production. These goods account for from 70 to 80 percent of total local industry production. Thousands of categories of goods have really met most of the needs of livelihood and production. At present, 16 provinces and cities have produced from 1 billion dong to more than 14 billion dong worth of consumer goods, with 200 districts exceeding the 10-million mark. Many localities have relied on their strong points--raw materials originating from agricultural, forestry, marine and mineral products, local labor force, and existing production potential--to expand consumer goods production, for domestic use and export. The localities have begun to rearrange production, work in concert with socialist transformation, take steps to overcome snags, renovate the management structure, and speed up joint production and production association for full exploitation of the four sources of supplies, thus adding more capabilities to consumer goods production. In recent years, local industry growth averaged from 12 to 13 percent per year; and production of many consumer goods and ordinary production materials has satisfied provincial and district needs. That growth will gradually link industry to agriculture, right at the basic level, and put into shape an industrial-agricultural structure in the provinces, and an agricultural-forestry-fishery-industrial structure in the districts.

Nevertheless, in light of production and livelihood requirements, and of existing potentialities in raw materials, labor, arable land, and equipment capabilities, the increase in consumer goods production still is slow. Many ordinary commodities made with local raw materials still are in short supply. Goods are produced in insufficient quantities, are not diversified or of high quality, and still at a high manufacturing cost. Many traditional sectors and professions have not yet been rehabilitated.

It is worthwhile noting that local industry is not yet closely tied to other economic sectors and professions, especially with agriculture. Sector management has not yet received proper attention, whereas ministries and

specialized general departments at the central echelon have not yet clearly determined responsibilities for management of local economic and technical sectors, such that local industry has not yet received adequate assistance in planning, providing technical equipment, setting economic and technical norms, and training cadres and technical workers. Rearrangement and reorganization of production, division of responsibilities, delegation of management authority to lower echelons, and socialist transformation of commodity sectors have not yet achieved a fast and synchronized pace; furthermore, bad practices abound, including chaotic production growth, conflicts over acquisition of raw materials and outlets, and conflicts between state industry and collective and private industry. Policies designed to encourage small industry and handicrafts as well as production zones, and slated to play a very important role in consumer goods production, have not yet been properly carried out. Division of responsibilities between state industry and collective industry at provincial and municipal levels has not yet been clearly defined, while experiences from production record holders in districts, wards and subwards have not yet been collected and widely disseminated.

Local industry should now understand clearly its position and responsibilities; and with the assistance of central sectors it should foster more effectiveness and creativeness while bursting into the battlefield of consumer goods production, with a view to achieving a 10 percent quantitative increase over last year, turning out more merchandise, and more diversified merchandise.

Our people are demanding more consumer goods. Each region and locality also has its own needs, preferences, penchants for and patronage of a certain number of consumer goods. Consumer goods production in the localities and consumer goods production at the central echelon are components of a production system aimed at meeting the people's multiform needs, achieving an exchange between industry and agriculture, between cities and rural areas, and between the state and peasants, and at generating more exports, thereby creating conditions for importing raw materials, equipment, and supplies for local agriculture and industry.

Guided by the Party Central Committee resolutions, an effort aimed at eliminating the old bureaucratic management structure and expanding the active role of basic installations and localities is being accelerated. These are new favorable factors for local industry to develop consumer goods production. The key to the question is that each locality knows how to rearrange production, fully avail itself of existing potential in terms of labor, arable land, sectors and professions, and homegrown raw materials, and diligently achieve production association and joint production so as to turn out more and more consumer goods. Production of consumer goods and building materials, and processing of foods and subsidiary food crops are major tasks of local industry. Some localities have been able to speed up consumer goods production for local use and export because of a dynamic and creative willingness to shift gears, embracing loss-and-profit accounting, socialist business, and correct policies on prices, wages, and finances in keeping with regulations and livelihood.

Ho Chi Minh City, Zuong Nam-Da Nang, Haiphong and Quang Ninh have had proper experiences in this respect. Cuu Long province has achieved self-sufficiency in ordinary drugs. Therefore, there is no reason for the northern cities, whose adequate installations once turned out a number of high-quality consumer goods, to mark time at present, waiting for shipments of the same goods from the south. Instances of delayed processing of entire stocks of sugarcane, fish, pork, corn, potatoes and manioc still linger at a number of localities. However, peasants everywhere are demanding cement, bricks, tiles and wood. Production of consumer goods, as well as small industry and handicraft goods, holds an extremely important position in local industry. This sector, in a subward in Ho Chi Minh City alone, can turn out hundreds of million of dong worth of consumer goods, thus attesting to its huge capabilities. But we should do our utmost to strengthen the new production relationships within the economic sector and continue to transform and aid handicraft workers; failing that, the consumer goods produced by them, instead of being included in the state distribution plan, will enter the free market, causing price disturbances. Consumer goods can be sold only if their quality is constant and their prices are reasonable; otherwise they will lie idle in warehouses and be thrown away, thus damaging production installations and local budgets.

To be able to speed up consumer goods production, local industry needs the diligent guidance of party committee echelons, the efficient coordination of local administration echelons, and a body of cadres endowed with moral virtue and management and business capabilities.

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ECONOMIC PLANNING, TRADE AND FINANCE

HOLIDAY OBSERVANCES CAUSE UNNECESSARY WASTE

Hanoi QUAN DOI NHAN DAN in Vietnamese 22 Apr 85 pp 1, 4

[Unattributed article: "Economize on Major Holidays, Anniversaries"]

[Text] The Secretariat of the Party Central Committee recently issued a directive stating, "During the past 3 months, many local areas and central agencies have not been strictly complying with the directive of the Chairman of the Council of Ministers on economization during major holidays and anniversaries and other norms in administrative management. At a time in which the economy of the country is encountering many difficulties and the lives of the workers, cadres and people in a number of local areas are still wanting, a situation of waste and expenditures exceeding the stipulations of the party and state in meetings, entertaining guests, etc. continues to occur in many locations. A number of localities and central agencies when observing anniversaries or holding meetings have spent too much, invited too many guests and done many things of an ostentatious and formalized nature. The Secretariat requests that party committee echelons, sections and sectors at the central level:

Study Directive 40-CT of the Chairman of the Council of Ministers concerning this problem and formulate specific plans to accomplish one task after another presented in this directive.

Party committee secretaries, standing committees, and chairmen of people's committees in the local areas, and section chiefs and party committee secretaries of central agencies must directly supervise and closely inspect compliance with this directive.

Immediately review the plan for observing major holidays during 1985 in the local area and central agencies. Resolutely eliminate or reduce unnecessary actions and ceremonies that are costly in party and state money and property, including money from either the central or the local budgets.

All echelons and sectors must wholeheartedly restrict private observances such as the 40th, 30th, 20th, 10th, 5th, etc. anniversaries of the founding of the agency or unit. Locations feeling it necessary to hold a private anniversary must request permission from upper echelons prior to the observance.

Party committee echelons and party chapters are responsible for leading and closely inspecting the achievement of economization in accordance with the spirit of the resolutions of the sixth and seventh plenums of the Party Central

Committee (Session 5), and the directives of the Secretariat of the Party Central Committee and the Council of Ministers. Take severe disciplinary measures against those cadres responsible for agencies and units who have shortcomings that create waste.

7300
CSO: 4209/409

17 June 1985

ECONOMIC PLANNING, TRADE AND FINANCE

POEM CRITICIZES SUMPTUOUS WEDDING

Hanoi QUAN DOI NHAN DAN in Vietnamese 23 Apr 85 p 3 [Poem by Dinh Sat: "Best in Province"]

[Text] The best wedding in Ben Tre Province*

The largest with rice wine to toast each other

Rich and abundant With goat, beef, pork, color film and other things

Friends crowding in to fill the hall

Opportunity by head of house to make display

Ceremony like a meeting or gathering

Spending money like water to show off affinity

Ask each other one question

Where does the money come from for such a wedding?

Ask Mr. Cadre in the area

So the people can gather to thank him for his trouble.

* Wedding held by the family of an army cadre in My Huong, Thanh Phu District, Ben Tre Province

7300
CSO: 4209/409

ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

INCREASES IN GOOD PURCHASES REPORTED--In the first quarter of this year, the trade sector of Ho Chi Minh City has made a big effort at purchasing and controlling goods. The entire sector has purchased 12 billion dong worth of goods, exceeding plans by 12.14 percent and has sold 16.3 billion worth of goods, with retail sales accounting for 59.66 percent of the total. Purchases of homegrown agricultural products and small industry and handicraft goods, especially pork and sugar, have panned out rather well. Supply of artisan goods and foodstuffs according to norms has still been assured. Socialist trade goods have contributed to stabilizing market prices. The sector has coordinated with wards and districts to regularly guide market management committees to educate and mobilize small vendors in correctly implementing transformation policies and procedures of the state, and to actively help commodity branches to rearrange cooperative business stores. The whole city now has 259 cooperative business stores, with 2200 personnel doing sales and providing services. In preparation for the 10th anniversary of the liberation of the city, and for the year's big holidays, the municipal trade sector is getting ready to sell an additional number of goods to cadres, workers and the laboring people at discount prices. [Text] [Hanoi NHAN DAN in Vietnamese 13 Apr 85 p 1] 9213

CSO: 4209/395

AGRICULTURE

LESSONS LEARNED COOPERATIVIZING AGRICULTURE IN NAM BO

Hanoi TAP CHI GIAO DUC LY LUAN in Vietnamese Jan-Feb 85 pp 38-47

[Article: "Agricultural Cooperativization of Nam Bo Provinces: Successes and Experiences"]

[Text] Immediately after the south was completely liberated, our party adopted a policy of carrying out socialist reform in agriculture in the south in general and in Nam Bo provinces in particular. The Nam Bo, experience acquired in the movement to cooperativize agriculture in the north, resolutions of the Central Committee and the Political Bureau, and instructions of the Secretariat that clearly indicated, step by step, the mission, orientation and concrete measures for the successful accomplishment of this great and complicated task.

As early at 1977 or 1978, under the leadership of the central echelon and local echelons, an enthusiastic, widespread mass movement to implement land reform, restore production and form labor exchange teams and production solidarity teams started in rural Nam Bo. Thanks to 2 years of experience in implementing reform, and under the enlightenment of the Political Bureau's instruction 43 (April 1978) and Instruction 57 (November 1978) on promoting reform in agriculture, the movement to reform agriculture in Nam Bo entered a new period in 1979--a period of collectivizing agriculture, with the production collective as the main form. With mass participation to set up production collectives, the movement grew strong in many localities and attracted great numbers of working peasants in Nam Bo provinces. During 1979, 13,216 production collectives were established. Nevertheless, because many localities did not yet grasp the spirit of Central Committee instructions, agricultural reform took a developmental orientation that was impetuous, superficial, and formalistic and strove for quantity. For this reason, the masses, when confronted with bad weather or problems with the circumstances of production or life, vacillated and lost confidence in the collective way of life. No small number of cadres and party members became irresolute and questioning. This lack of assurance led to the breakup of one production collective after another, and many of them, though not deactivated, were unable to attain full production. Efforts to establish pilot cooperatives also failed to yield results.

Faced with this situation, the Secretariat held two conferences to review experiences in the reform effort and released Notice No 14 and Circular 138, which together evaluate the agricultural reform over the past period. The

Central Committee strictly censured indecisiveness and wavering as well as hastiness and oversimplification among cadres, party members and party echelons toward agricultural reform. In the notice and the circular, the Central Committee drew some specific conclusions regarding appropriate forms and procedures for the movement to cooperativize and use the product contracting system in agricultural cooperatives and production groups in Nam Bo. Thanks to the efforts and enlightened actions of party organizations, the movement held strong and is developing. Especially after the 5th Party Congress, under the enlightenment of the resolution of the congress and subsequent resolutions of the Central Committee, agricultural reform in Nam Bo provinces took strong, firm strides forward in development; many new factors have come up and more are coming to light. Over the past 5 years, the movement grew by leaps and bounds, each year becoming half again or twice as big as the year before.

In 1980 there were 3,700 collectives in Nam Bo. These had increased (to) ,800 in 1981, 9,700 in 1982, 18,900 in 1983, and 23,000 in 1984.

Along with the quantitative increase, the quality of the movement was raised. Though newly established and lacking much organizational and management experience, collective production organizations exhibited marked superiority over families making livings independently and attracted the working peasant masses.

Carried out under conditions of hardship and complications, the effort to reform agriculture in Nam Bo has undergone many trials over nearly a 10-year period, and many praiseworthy victories have been won.

To date, nearly all Nam Bo provinces have virtually erased remnants of feudal exploitation by rural bourgeoisie and rich peasants. The provinces have transferred 389,183 hectares of land to poor peasants in need of land.

In addition to reallocating land, localities organized peasants into collective production organizations of many varied and appropriate forms, from low to high levels. As of mid-1984, production collectives and cooperatives in Nam Bo had attracted 52 percent of the peasant families, with 44 percent of the area under cultivation, into the collective way of life. If production solidarity teams are included, many localities gathered about 90 percent of the peasant families into organizations. Because they knew how to correctly utilize the product contracting system and progressive methods of cultivation, newly formed collective production organizations have shown clear superiority over working independently.

In addition to establishing collective production organizations, 90 percent of the villages in Nam Bo formed marketing cooperatives and credit cooperatives for the purpose of making positive contributions to the needs for developing production and improving the lives of peasants in the village and supporting and promoting the movement to cooperativize agriculture. Many cooperatives performed their function of supplying consumer goods and agricultural materials to peasants well, at the same time purchasing agricultural, forestry, and marine products offered by state-operated businesses. Credit cooperatives put funds of the peasants, especially middle peasants, into circulation, creating conditions favorable for collectives to expand production and build up the material

and technical base. Activities of these cooperatives contributed to the effort to erase and limit exploitation of peasants by the bourgeoisie and rich peasants, the first step in setting up new bilateral economic relations between the state (state-operated businesses and the state bank) and the peasants, trade and private business in the rural market. Through marketing and credit cooperatives and through collective production organizations of peasants, the state can supply agricultural materials and consumer goods directly to peasants. In return, peasants sell agricultural goods directly to the state.

Concurrently with efforts to reform and develop agricultural production, localities all emphasized establishment and expansion of the network of state-operated businesses in support of production, processing, transport and circulation in the district with the aim of promoting cooperativization, guide and help the collective economy and family economies develop strongly and in the correct direction and gradually reform and replace exploiting agricultural service installations of the bourgeoisie and private industry. The building of the network of public-sector service operations on the district level, tied closely to the production orientation of the basic level, enriched and intensified efforts to build up the district level and made a positive contribution toward promoting the reform and development of agricultural production and gradually shaping the agro-industrial structure of the district. Practical experience of districts that accomplished agricultural reform proved that building and developing the network of public-sector service operations on the district level contributes to the effort of eradicating exploitation by the bourgeoisie and merchandisers, provides service to production and life and promotes agricultural reform and development.

In addition to its economic victories, the movement to reform and develop agriculture engendered great political and social progress. Via the movement to reallocate land and form production solidarity teams and production collectives, solidarity and unity was increased between peasant classes and urban mass organizations and party organizations grew and increased in strength. In the process of conducting the effort to build up the movement, there appeared many cadres and party members with abilities and good qualities, who wholeheartedly served the collective, served the people and exercised initiative. A corps of cadres and party members newly trained and formed from within an enthusiastic drive of the masses is an important factor that ensures that the movement will continue progress in the future.

Success with the effort to reform and develop agricultural production in Nam Bo is only a first step, but it has important significance. A number of preliminary lessons can be derived from experiences of suffering reverses and achieving success over the nearly 10 years past.

A. Land Reform and Erasing Land Exploitation, Combined with Building Solidarity Among Working Peasants

Agricultural reform and development requires first that the system which gives possession of the land to landlords and rich peasants be terminated and that land be turned over to the poor peasants. But in Nam Bo provinces the landlord economy had been virtually destroyed, and rich peasants accounted for 3-4

percent of the total number of rural families. Working peasant families accounted for more than 90 percent of the total number of families, with 70 percent of these middle peasant families. Because the process of terminating feudal production relations in Nam Bo took place in the special circumstances of a prolonged, violent resistance, though the landlord class was removed, the land problem was still not completely solved. A portion of land remained in the hands of rich peasants, and a number of landlords who had been forgotten about were used as a means of exploiting farm hands. Furthermore, the distribution of land among working peasants was previously not yet rational, with the result that there was great inequality in land ownership between classes of working peasants. While 24 percent of rural families were poor peasant families lacking or short of land, middle peasants in the class above them had much extra land and year after year had to hire labor.

The above situation shows that agricultural production cannot be reorganized and developed, and peasants cannot be drawn into the collective way of live, if the present land problem is not solved. Only if they have land do peasants have what they need to reorganize production among themselves. Therefore, the first thing to be done is land reform--a matter of decisive importance in the process of reforming and developing agricultural production in Nam Bo. The realities of the land problem in Nam Bo are such that land reform here is on one hand a fierce class struggle between workers and exploiters and among rural capitalists, rich peasants and a number of bourgeoisie that remain, and on the other hand a process of educating, persuading and activating class love, solidarity and mutual assistance among working peasants so that they relinquish extra land to families in need--including families of many cadres, party members, workers and state officials.

Land reform must therefore be carried out resolutely and urgently as groundwork for the cooperativization movement. On the other hand, it must be carried out with methods that ensure rationality and avoid unnecessary disturbance or disgruntlement in the countryside. Land reform should be used to heighten class awareness and increase unity of will among working peasants in order to increase production and build the new socialist countryside. In that spirit, the instruction of the Secretariat stated: "Persuade middle peasant families of the class above to relinquish land that is beyond their capability to work. Land reform must be democratically discussed among the working peasants and must be done in the spirit of "giving up rice and sharing clothes" to stabilize and step up production and encourage intensive cultivation." The instruction is also very clear regarding land of the bourgeoisie, rich peasants and landlords still remaining: "Explain the policy of the party and the state and encourage them to comply willingly. If they do not comply strictly, confiscate the land, leaving them a portion suited to their labor ability and enough to practice intensive cultivation and sustain life."

By adhering to the spirit of the above guidance by the central echelon, many localities, such as Ho Chi Minh City, Tay Ninh, Minh Hai and Long An, carried out fast and complete land reform, with good effects and without disorder or disturbance. In a rational and sympathetic way and with flexible and enlightened methods, land reform, though difficult and complicated, did not cause tension and disturbance in the countryside and within the ranks of cadres and party members. The results were the elimination of exploitation, which brought an

end to the partitioning of peasants, and at the same time the liberation of labor and land, which increased the solidarity of working peasants, [emphasis in original] who helped each other develop production, and laid the groundwork for subsequent cooperativization of agriculture. The lesson here is mainly that correctly solving the problem of attitudes toward peasant classes and building solidarity among working peasants in order to reform and develop agricultural production is a skillful combination of principles and flexible, enlightened ways and methods, paying attention to the psychology and sentiments of peasants.

B. Adhering to the Goals and Substantial Make-up of the Cooperativization Movement, Shunning Formalism, Pursuit of Quantity and Largeness of Scale

Reforming the small-farm economy to socialism is the common imperative of all developing socialist nations. To terminate ownership of land by landlords and rich peasants and establish the system of socialist ownership of land is the first essential step in that process of reform. However, changing the system of land ownership alone cannot completely eliminate the exploitation of some people by others in the countryside. What has decisive significance is, after instituting the socialist system of land ownership, to organize and lead the peasants to immediately carry out agricultural reform according to socialism and to build and develop large-scale socialist agriculture. For countries climbing to socialism from a backward production base like ours, the basic substance of the problem is to reform individual, small-scale agriculture and gradually organize and build up a large-scale socialist agriculture with the goals of liberating the forces of labor and land, developing agricultural production and improving life for peasants. It is a big mistake to think that agricultural reform merely involves concentrating peasants into large-scale collective economic organizations without considering productivity, quality and production effectiveness.

It was because of this very failure to firmly grasp the objectives and substantial make-up of the problem of agricultural reform that in many places over recent years there were merely efforts to mobilize, even force peasants to join collective production organizations. They pursued quantities and forms, wanting things on a large scale without stress on building management machinery, expanding the material and technical base, promoting intensive cultivation, and applying advanced science and techniques to expand production and business and heighten labor productivity. Thus, many collective production organizations not only did not prove superior to the individual way of life, but were instead inferior to many individual middle peasant families in productivity and effectiveness, leading the masses to suspect the fine quality of the collective way of life. This is itself the explanation for why the cooperativization movement in Nam Bo provinces over past years met with many difficulties, bogged down and was even threatened by disintegration at some times and places. Instructions and communiqüs of the central echelon, especially Instructions 93 and 100 and Communiqüs 14 and 138 of the Secretariat, provided timely correction of those deviant tendencies and directed the movement into the right orbit, helped localities to grasp the above-mentioned make-up and objectives of the movement and indicated concrete measures for strengthening and continuing to advance the movement. Many localities attentively guided production collectives in

the enlightened application of the system of product contracting with labor groups and laborers. The product contracting system was the right answer to the demand of the movement and was suited to the aspirations and psychology of the great peasant masses of Nam Bo, so it was quickly adopted by many collectives. The contracting system created a new atmosphere in the production of collectives and stimulated self-awareness and enthusiasm for work among collective members, urging each person to diligently carry out intensive cultivation and adopt technical advances in order to exceed contract targets. The contracting system also engendered a new capability to attract large numbers of independent peasants--even upper class middle peasants--to voluntarily enter the collective way of life.

In addition to adopting product contracting, many places adopted joint and combined forms of economic operations between collectives or inter-collective organizations with the aims of developing division of labor and tapping potential in labor, land, money and the material and technical base of many small collectives united to expand production and business, promote the process of specialization and the accumulation of production stocks. That is a very appropriate step in the process of advancement from a small scale to large scale and from a low level to a high level. From that point preparations are made to establish bigger cooperatives later without creating organizational turmoil and disrupting production.

Experience in our country as well as in many fraternal countries has proven the importance, not to be minimized, of the family economy's role in a socialist people's economy. Particularly with reference to agriculture in Nam Bo, with its socioeconomic situation and special characteristics of nature and land and its start in building a collective economy, the role of the family economy is all the more important, not only to the daily life and income of each peasant family, but also to the life and production of society as a whole. In combination with efforts to develop the collective economy by expanding production and business operations, building the material and technical base and perfecting the management system of production collectives, attention was given everywhere to carrying out family economy programs, guiding and helping family economies to develop according to a common plan, closely coordinating the collective economy with family economies and balancing field work (the collective) with gardening (of the family). Families could use their leisure and subsidiary labor in contracts to raise livestock or make handicraft items for the collective or for the state. Products of family economies were handled on the basis of incentive pricing or two-way contracts. Therefore harmonic cooperation between the collective economy and the family economy and between collective profit and private profit of workers from the very beginning never weakened the collective economy and never created an artificial opposition between the collective economy and the family economy, but created a close and very natural bond of mutual aid and support between these two economic elements. That new, enlightened way of doing things was not only in line with the special economic characteristics of agriculture in Nam Bo and with the aspirations and legitimate interests of the peasants, but was also in line with the rules governing the process of advancing a small-scale, dispersed agriculture to large-scale socialist agriculture.

This movement to cooperativize agriculture was truly able to activate the strength and superiority of the collective economy in expanding and developing production and raising the peasants' standard of living, and for this reason its existence had the power to strongly attract peasants voluntarily into the collective way of life. Here the lesson derived from experience is always to hold firmly to the substantial make-up and objectives of the cooperativization movement: reforming small-scale agriculture into large-scale socialist agriculture and expanding and developing production to lead the peasants to socialism; avoiding the pursuit of quantity and size and avoiding coercion or bullying.

C. Reforming and Developing Agriculture in Conjunction with Reforming and Developing Industry and Commerce. Urgently Expanding the Network of State Distribution and Circulation and Economic and Technical Organizations on the District Scale.

Unlike agriculture in the north when collectivization was begun, agriculture in Nam Bo is presently an economy rich in developed merchandise. Close relations had been formed with the market, with industry and with trade, and an agro-industrial structure had been formed which was at the disposal of the bourgeoisie. Capitalism had begun to develop previously, under the neo-colonialist regime, and had infiltrated into all sectors of the agricultural economy--into agricultural production as well as into all the services closely associated with agriculture, such as selling farm materials, purchasing farm goods, renting out and repairing farm implements, processing, transporting, and lending at a high rate of interest. Only 3-4 percent of the rural population were members of the bourgeoisie, who controlled 10 percent of the area under cultivation, but they held the majority of farm machinery, processing machinery, and means of transport (58 percent of the large tractors, 50 percent of the husking machines, 52 percent of the sugar processing equipment, etc.), so although the size of rural bourgeoisie was small, its members played the role of administering production and life in the countryside. Moreover, the influence of capitalism in the countryside is not only the number of rich peasants and members of the rural bourgeoisie, but includes industrial and commercial bourgeoisie forces in cities through their network of purchasing agents and a commercial network that reached every village and hamlet. The rural bourgeoisie joined with the urban bourgeoisie to form a monopolistic capitalist influence on the rural market, exploiting the various classes of working peasants. Peasants of Nam Bo were not only victims of land exploitation by landlords and rich peasants but were also exploited by speculative prices, high-interest loans, high prices for equipment rental, etc., of the industrial and commercial bourgeoisie. In Nam Bo, therefore, the reform of industry and commerce, especially rural industrial and commercial installations, must be considered matters lying within the very process of agricultural reform and development. If agricultural reform is not closely joined to industrial and commercial reform, the labor power of the peasants cannot be liberated, and the power of production in agriculture cannot be liberated. If the exploitation of peasants by the industrial and commercial bourgeoisie is not completely stopped, even if land reform is carried out, the peasants will still not exercise ownership of their production and their lives. Based on that analysis, Instruction 19 of the Secretariat of the VCP Central Committee stated: "Agricultural reform must be joined closely with industrial and commercial reform and reform of the rural market and agricultural development must be closely coordinated with industrial development."

Reform of the industrial and commercial economy--especially rural industrial and commercial installations closely associated with agricultural production--is not aimed solely at erasing exploitation of the peasants by the bourgeoisie. Also important is the aim of creating new socialist relations between agriculture and industry and between agricultural production and distribution and circulation, permitting the best use and realization of potential in labor, land, materials and techniques, and money for the development of agriculture. Agricultural reform and development must thus be closely coordinated with industrial and commercial reform and development along socialist lines, and agriculture and industry are to be joined into a rational structure starting from the basic level, on the district scale, in the process of collectivization. To accomplish this task, the key issue is to concentrate efforts on building a network of distribution and circulation and economic and technical organizations on the district scope according to a rational economic structure in order to support the movement to cooperativize and develop production.

D. Generating and Seeking Forms and Procedures Appropriate to Local Realities

Due to the dispersed and backward nature of the small-farm economy, there is very great local and economic zone variation in level of cultivation, level of work division and farming customs. For this reason, communist parties and socialist states, when carrying out agricultural reform, must begin with a thorough going analysis of the level of socioeconomic development and special characteristics of the psychology and habits of the peasants in each place, then search for and originate appropriate forms and procedures. It is necessary to study and research the experience of fraternal countries and other localities, but mechanically applying the experience of one place in another place would inevitably lead to calamity. The movement to cooperativize agriculture in Nam Bo developed slowly in past years, with ups and downs dependent on whether forms and procedures were found or developed that were correct and suited to economic conditions and special characteristics of the peasants of Nam Bo. At certain times and places, research and development was replaced by mechanical adoption of the experience and cooperativization model of a few northern provinces.

Only after deriving practical experience from reverses and after concrete instructions from the Secretariat of the VCP did localities and the basic-level party organization take the initiative and generate many varied, appropriate form and procedures. Then the movement got into the right orbit, appropriate to laws, and became more strong and sure. It is now possible to affirm that the forms of cooperativization suited to Nam Bo are production solidarity teams, production collectives, and agricultural production cooperatives.

1. Production solidarity teams

For the majority of working peasants, including middle peasant families, there is not only a shortage of arable land but also a shortage of such other means of production as draft power, materials, and money. If after land reform is carried out the families are left to continue pursuing an individual way of life, they will still be exploited by the rural bourgeoisie and rich peasants through such practices as buying cheap and selling at a high price and lending

at high interest. After land reform, therefore, the peasants should immediately be organized into production solidarity teams.

Production solidarity teams have some features in common with the labor exchange teams that existed before in the north in that they involve an exchange of labor between peasant families through which they try to help each other resolve difficulties and develop production. It also provides training in collective labor formulas. But in the new developmental conditions of the agricultural economy of Nam Bo, because of the needs of the struggle against the rural bourgeoisie combined with the commercial bourgeoisie monopolizing the rural market, the production solidarity team also plays the role of a collective marketing organization for the peasants to trade with the state on the basis of two-way contracts. Through two-way contracts, materials and consumer goods reach each peasant family. This helps enable them to use materials of the state well, apply technical advances, develop production, and sever their dependence on the bourgeoisie and rich peasants. On the other hand, peasants contribute to the state and sell farm products to it directly, rather than through the commercial bourgeoisie and private merchants. The production solidarity team is thus not only a collective economic organization effecting cooperation and exchange of labor between families, but is also a collective marketing organization for trade with the state and joint economic activities with the socialist state-operated trade sector successfully fighting against the exploitation of the bourgeoisie and rich peasants and eliminating the commercial bourgeoisie from the rural market.

That the production solidarity team received the above role and was so organized was the result of study and creative development in Nam Bo of the experience obviously gained with labor exchange teams in the north. It is a form of organization very well suited to the process of socialist reform of agriculture in Nam Bo. With production solidarity teams, land and the principal means of production are still under the private ownership of the peasants, and each family still handles the organization of business management. Nevertheless, with the production solidarity team, peasants have taken the first step in organized production and business that receives guidance and assistance from the collective and from the state and has a direct economic relationship with the socialist state rather than with the free market. Those new aspects are gradually formed and developed. The factors of individuality and spontaneity in peasants are gradually reduced in the process of developing production solidarity teams.

2. Production collectives

The production collective is a collective economic organization of peasants established on the basis of collective ownership of the means of production and collective labor. It is formed and developed on the basis of the production solidarity team movement. The production solidarity team and the production collective are both organization of working peasants, but there are substantial differences between them. Although the number of workers and area of cultivation (about 20-30 hectares) of the production collective are still not large, and its organization is still simple, land and the principal means of production have been collectivized, and production and business are conducted

according to a common, unified plan under the direction of the management board. Thus, the production collective is basically an agricultural cooperative on a small scale. Yet it is a newly formed collective economic organization, one that has not yet matured, so it still must see to the interest, psychology, and customs of the former small farmer and can not yet immediately eliminate each family's right to own land and such means of production as machinery, buffaloes and cattle. For these reasons, the results of production of the production collective, including shares of stock taken outside the norm, must be distributed according to labor and also according to land. Only if collective interests and individual interests are emphasized in this way will peasants, especially middle peasants, readily volunteer to join the collectives and be enthusiastic about contributing land, buffaloes, and money to set up the collective. One of the reasons that the production collective movement had a lot of trouble during 1979 was that in many places payments for land were given little emphasis out of haste or oversimplification, or payments for buffaloes, cattle, or machinery of middle peasant families were inappropriate, out of a desire to raise the level of the collective early. These actions violated the legitimate interests of peasant families and violated the principle of voluntarism, a basic principle in Lenin's theory of cooperativization, and therefore weakened the power of the cooperativization movement in agriculture. During 1983 the Secretariat issued Instruction 19, a timely criticism of the above tendency stressing that "a form of cooperativization appropriate for attracting the middle peasant is the small-scale, low-level--meaning land is still paid for--cooperative (the production collective). The policy of paying for land is therefore necessary to uphold the principle of voluntariness on the part of the peasant." [emphasis in original] It is no surprise that the Central Committee concluded that the small-scale, low-level cooperative, i.e., the production collective, is the appropriate form for introducing the peasants of Nam Bo to the collective way of life at their present stage of progress.

3. Agricultural production cooperatives

As presented above, the production collective is a collective economic form of a transitional nature. Thus, to consider the production collective a fixed form that remains indefinitely on a small scale and low level would be conservative and slow, and the movement would be held back in development. Therefore, if we are to continue to advance the cooperativization movement and completely reform and develop agricultural production into large-scale socialist production, we must ceaselessly strengthen and develop production collectives, expand their production and business and perfect their management system, and gradually expand and raise production collectives to a higher form of production organization--the agricultural production cooperative. The cooperative is a collective economic organization.

The practical experience of nearly 10 years of collectivization has proven that the production solidarity team, the production collective, and the agricultural production cooperative are the appropriate forms and procedures for reforming and developing Nam Bo's agriculture along socialist lines, and are the appropriate forms and procedures for leading individual peasants along the way to socialism in a voluntary, uncoerced manner. The three forms differ in level, scale and maturity of the "substance" of socialism. There is no

absolute separation between them, however, for they are integrated stages developing in a dialectical way, the preceding stage preparing for and creating conditions for the following stage, and the development of the following stage strengthening, expanding and perfecting features created in the preceding stage.

In summary, the generation of and search for rich forms of organization, and procedures appropriate to the level of socioeconomic development and special characteristics of the local population cleared up confusion and problems for the provinces of Nam Bo and over recent years advanced cooperativization in strong, sure steps.

The reform and development of agriculture still involve grave and complicated tasks for the party organization and the people of Nam Bo. By holding firmly to the socioeconomic objectives set by the 5th Party Congress, strictly adhering to the instructions of the Political Bureau and the Secretariat of the Central Committee on agricultural reform and development, and at the same time striving to benefit from accomplishments and experience, the provinces of Nam Bo are certain to successfully complete the task of reforming agriculture in 1985 prescribed by the resolutions of the Central Committee.

9830
CSO: 4209/344

AGRICULTURE

10-DAY AGRICULTURAL ACTIVITIES REVIEWED

OW271112 Hanoi Domestic Service in Vietnamese 1100 GMT 21 May 85

[Text] Dear friends: The situation in agricultural production over the past 10 years presents the following main features:

The northern provinces have concentrated efforts on fighting drought and on preventing and eradicating crop pests in the protection of the fifth-month spring rice crop. Due to the sunny, hot weather in the past week, the area of drought-stricken rice has increased. According to the Ministry of Water Conservancy's notice, as many as 230,000 hectares of rice, an acreage larger than that in the past week, have been affected by drought. Moreover, the rice area infested with harmful insects, especially rice blast, rice hispa, and brown planthoppers, may possibly be expanded. In Nghe Tinh Province, apart from the rice area affected by rice blast, more than 10,000 hectares have been infested with brown planthoppers which have scorched rice leaves. Third, instar stem borers are currently strongly developing.

The southern provinces have completed the winter-spring rice harvest and are now switching to planting the summer-fall and 10th-month rice. According to the Statistics General Department, as of 15 May, the southern provinces had planted more than 400,000 hectares of summer-fall rice, 149 percent of last year's acreage or 55 percent of the present planned area. An Giang, Long An, and Cuu Long, the last provinces in rice planting, had planted respectively 95, 60, and 55 percent of the planned area. Tri Ton, Tinh Bien, Chau Doc, and Chau Thanh Districts in An Giang Province had fulfilled or overfulfilled the rice cultivation plan norms.

Along with planting the summer-fall rice, the southern provinces have begun planting the 10th-month rice. An Giang and Hau Giang Provinces have planted respectively 90 and 80 percent of the planned area.

The northern provinces are currently preparing for planting 10th-month rice seedlings, but the mountainous provinces have started this planting earlier.

As the cultivation of winter-spring vegetables and subsidiary and industrial crops is now over, localities are currently engaged in planting the summer-fall rice. The cultivated acreage of summer-fall vegetables and subsidiary and industrial crops in the southern provinces is larger than that in the northern provinces.

Dear friends: According to the Meteorological and Hydrological Department, the weather will continue to be sunny and hot in the coming days. For this reason, the northern provinces should take measures to properly manage all sources of water and make full use of all irrigation means, including electric and oil water pumps, buckets, and norias, in the fight against drought to protect rice fields and create favorable conditions for rice plants to head. They should also work out plans to inspect and classify crop pests with a view to promptly preventing and eradicating them.

The southern provinces should continue to sow the summer-fall rice and start activities concerning the 10th-month rice production. They should also have a plan for tending rice fields as well as the vegetables and subsidiary and industrial crops, and for preventing and eradicating crop pests.

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AGRICULTURE

SUCCESSFUL TENTH-MONTH SEASON WILL HELP 5-YEAR PLAN

Hanoi NHAN DAN in Vietnamese 20 Apr 85 pp 1, 4

[Editorial: "Preparing Material-Technical Base for Tenth-Month Crop"]

[Text] The 1985 tenth-month crop production plan is the last of the entire 1981-1985 5-year production plan. Efforts to achieve and surpass planned levels for the 1985 tenth-month crop bear an important significance, both in completing the plans for 1985 and the entire 5 years, and simultaneously creating confidence and enthusiasm for beginning the 1986-1990 fourth 5-year plan.

The 1984-1985 winter-spring production season is continuing. Although the rice area in the south has increased and fair yields have been achieved, complex weather changes have occurred in the north with protracted periods of overcast skies and cold weather; sowing and transplanting was late in the highlands and rice stooling was late and prolonged in the midlands and lowlands. In Binh Tri Thien Province, a number of areas of heading rice encountered the recent cold weather resulting in immature grain; the corn developed slowly due to a lack of sunshine, the rice headed and released pollen, and the industrial crops developed slowly with pale leaves, etc. From this, a number of areas must still strive mightily to achieve the winter-spring plan and during the approaching tenth-month season must rise even higher to successfully complete the production plan for the entire year.

Tenth-month crop production will be carried out from April and May to December of 1985 and January and February of 1986. Included in this period will be the summer-fall rice from Nghe Tinh to Minh Hai, the tenth-month rice for the entire nation, and the annual subsidiary food and industrial crops primarily in the south and the upland areas of the north.

The planned area of summer-fall and tenth-month rice for 1985 is equivalent to that of 1984 with the exception of summer-fall rice for which a 9 percent increase over last year must be achieved. Thus, 63 percent of the increased output in tenth-month and summer-fall rice during 1985 will be due to methods of intensive cultivation. Both the summer-fall and tenth-month rice crops must achieve an average yield increase of 1.4 to 1.5 quintals of paddy per hectare.

To accomplish this, in conjunction with crop care and the eradication of insects, the winter-spring rice and subsidiary food crop harvest must be rapid and orderly with the purpose of taking advantage of the suitably moist soil for dry-land plowing in the south. In the north, the water should not be drained

dry for easy harvesting but should be left in sufficient quantities after the winter-spring harvest to conduct wet-land plowing immediately, aimed at killing budding insects and disease, especially stem borers, and creating conditions for the soil to ferment and the stubble to decay and become fertilizer for the tenth-month crop. Three periods of continued cold weather have occurred during the past 3 years to fell many buffaloes and cattle, seriously depleting the draft power; therefore, by every means, draft power must be regulated, fully utilizing high-capacity tractors and rationally dividing manpower and draft power to achieve early and rapid plowing. Because we still have little electric power or petroleum, water must not be wasted.

Reexamination of the rice variety structure of the tenth-month, summer-fall, early, lo and floating rice in the south is a task requiring urgent attention in order to have enough good rice varieties consistent with the crop rotation system of each field. In the south, attention must be given to varieties of floating rice for the deeply inundated areas. The northern and central areas must give attention to varieties of main crop tenth month rice as harvest of the recent 1984 tenth-month crop had to be carried out in the rain and under the flooded and waterlogged conditions of Storm 9 at the beginning of November. Rice seed harvested under such conditions is usually weak in sprouting.

Extremely rapid work and sufficient good seed are fundamental prerequisites for sowing seedlings precisely on schedule and transplanting or directly sowing precisely on schedule with the proper density in accordance with technical requirements. In other words, to assure the agricultural schedule, one cannot think simply of transplanting on schedule but must have a broader understanding of assuring the schedule for soil preparation, seedling sowing, field irrigation and transplanting to assure the heading, ripening and harvest schedules.

Nevertheless, assurance of the sowing and transplanting schedule is an extremely important method: "the fifth-month crop is better than the young rice shoot fields, the tenth-month crop is better than the night." Summer-fall rice sown late will be flooded. Midland tenth-month rice sown late will encounter storms during heading and harvesting. Late tenth-month rice in the north will encounter cold weather during heading. Consequently, yields are reduced which leads to a reduction in output.

Insects and disease during the summer-fall and tenth-month crops usually produce and develop much more rapidly than during the winter-spring crop because the summer-fall and tenth-month crops commonly immediately follow the winter-spring crop with a favorable bridge, the season of early tenth-month rice seedlings. We must achieve a crop insurance mechanism, designating concentrated seedling areas for easier, quicker and cheaper prevention and control of insects and disease with few insecticide costs and protectant efforts. If we had sufficient chemical insecticides, the consolidated prevention and control methods and manual labor would be easier and more sanitary and would be widely applied. Because we are short of chemical insecticides, the consolidated and manual methods of prevention and control are more important than ever before.

Because the tenth-month crop is carried out during the rain, storm and flood season, many plans are constantly needed for maintaining the initiative against

natural conditions and reducing the losses brought by natural disasters, including the critically important preparation of precautionary seed. Gasoline and oil, water bailing buckets and spirals, and electric power must be prepared to resist drought or to resist the commonly occurring floods caused by storms. In the south, experience in field construction and area embankment enclosure to resist waterlogging and flooding of the summer-fall rice must be developed. In the north, efforts must be made to bail water into the high fields, to build embankments for holding the water, and to swiftly drain the excess water when unexpected storms and floods occur.

Not only is the winter-spring crop total but also the tenth-month crop production. Besides rice, other grain crops such as corn and sweet potatoes in the uplands, central highlands, eastern Nam Bo and central coastal area also account for a large part of the subsidiary food crop area of the entire year. Seed and fertilizer must be prepared and the land worked to sow and plant on schedule, to exceed the planned area level and to compensate for the still deficient winter-spring subsidiary food crop area. To attain 19 million tons of grain during 1985, 2.5 million tons of subsidiary food crops in paddy equivalent must be achieved, equal to 13.2 percent of the grain output, with tenth-month subsidiary food crops alone accounting for nearly 60 percent of the total subsidiary food crop output of the entire year.

Short-term industrial crops during the tenth-month season also cover much area. Summer soybeans are multicropped between the two rice crops and there are fall soybeans in the uplands and northern midlands and one or two soybean crops in eastern Nam Bo. There are the fall seed peanuts in the north, summer peanuts multicropped between the two rice crops in the midlands, and fall peanuts in eastern Nam Bo and the central highlands. Tenth-month cotton in the northeast and midlands. Jute in the north, etc. Generally speaking, the short-term industrial crop area of the 1985 plan is 1.2 to 1.7 times greater than that of 1984.

Preparations for the tenth-month crop season are urgent. A firm grasp of the production structure, improvement of the management mechanism and preparation of the material and technical base are fundamental conditions for assuring that tenth-month crop production attains total planned levels to successfully conclude the 1981-1985 5-year plan.

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AGRICULTURE

SUBSIDIARY FOOD CROPS IN HA SON BINH EXPANDED

Hanoi NHAN DAN in Vietnamese 5 Apr 85 p 2

[Article by Le Hung, Ha Son Binh: "Ha Son Binh Expands Subsidiary Food Crop Acreage"]

[Text] This year, Ha Son Binh strongly develops subsidiary food crops, with focus on intensive cultivation, multicropping and acreage expansion. The province sees it as a main step leading to fulfillment of grain production norms for 1985.

By the end of February, Ha Son Binh had sowed and transplanted 11,195 hectares of spring subsidiary foods crops, including 5,550 hectares of corn, attaining 55.5 percent of the year's plan; 3,480 hectares of sweet potatoes, attaining 44 percent of plan; 2,000 hectares of manioc and 165 hectares of Alpinia chinensis.

Subsidiary food crop acreage has expanded in all three sectors--state, collective and cooperative member family--with corn as a main crop. The localities plant corn in high fields where rice cultivation produces only low yield; fully avail themselves of land around hills, along brooks and alluvial soil, to grow sweet potatoes; and transform old slash and burn upland fields while opening new ones for manioc planting. Cultivation of Alpinia chinensis, a new crop, has been encouraged. That is why subsidiary food crop acreage has increased over last year's corresponding period: 11 percent for corn; 67.5 percent for manioc; 200 percent for Alpinia chinensis; and an almost equal acreage for sweet potatoes. Many localities have properly carried out intense farming measures. Many old low-yield seeds have been replaced by new high-yield ones. As a result, the VML corn variety has been sowed and planted in nearly all cornfields, in the place of old seeds. Manioc has been carefully prepared prior to being planted on former slash and burn upland fields, previously treated with additional stable manure. Each hectare of corn or sweet potato received from 8 to 10 tons of stable manure, and from 250 to 300 kgs of nitrate, phosphate and potash fertilizer.

Subsidiary food crops were planted throughout the province, and in concentrated areas of specialized cultivation. The breakdown is as follows: the all-corn zones in Thuong Tin and Phu Xuan districts, 900 hectares and 760

hectares respectively; the all-sweet potato zones in Chuong My and Yen Thuy districts, 540 hectares and 416 hectares respectively. The provincial plant protection service has made plans for assisting localities in preventing and controlling pests on subsidiary food crops.

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AGRICULTURE

CORN YIELD IN HANOI INCREASED

Hanoi NHAN DAN in Vietnamese 5 Apr 85 p 2

[Article by Quyet Thang: "Hanoi's In-Depth Investment in Zones of Specialized Corn Planting"]

[Text] In recent years, due to the diligent guidance of the city and districts, corn has ranked second behind rice, on the list of 12 municipal programs of agricultural development. In fact, corn acreage has increased rapidly, reaching growth stability at 10,000 hectares, and giving rise to zones of specialized corn cultivation covering 130 kms along the alluvial banks of the Red, Da, Day and Duong rivers. While carrying out the policy of product contracting and in-depth investment, Hanoi has taken managerial and technical measures aimed at encouraging large-scale corn production, promptly injecting technological advances into farming, and accelerating economic association.

As a rule, to achieve a high yield for corn it is necessary to invest capital, supplies and manpower according to a predetermined technical process. The Trung Chau cooperative (Dan Phuong District) was able to make from 25 to 30 quintals of corn per hectare only after applying from 170 kg to 210 kgs of nitrate fertilizer, 150 kgs of phosphate fertilizer, and 100 kgs of potash fertilizer on each hectare. For 10,000 hectares of corn in Hanoi to achieve similar performances, 2,000 tons of nitrate fertilizer, 1,500 tons of phosphate fertilizer, and 1,000 tons of potash fertilizer, are needed. This is no small quantity. However, to raise corn yield in spite of limited supplies, the problem is not only to pay attention to material investment, but also to make broad use of technological advances simultaneously with the peasants' experiences in traditional corn cultivation. Investigative data furnished by Phuc Tho District show that it has sowed and planted new VML corn varieties that yield, respectively, 19 quintals per hectare, on 20 percent of cornland; 25 quintals per hectare on 40 percent of cornland; and 30 quintals per hectare on 40 percent of cornland. The cooperatives have sowed and planted these new varieties on nearly all cornfields, and increased planting density from 20,000 to 25,000 plants to 35,000 to 40,000 plants per hectare, thus creating conditions for raising productivity and volume of production, and achieving a balance between specialized corn-planting zones. Corn areas often are damaged more by insects than by diseases. Many cooperatives have conducted technical training for members on harmful insect

prevention and control, and encouraged the use of comprehensive prevention and control measures along with chemicals--an approach that reduces both cost and harm, while protecting an entire field, or a single plot of corn.

Previously, the districts grew corn in large areas, but only for local consumption. In the past 2 years, many districts and cooperatives have turned out a noticeable quantity of corn. Last year, Phuc Tho, Dan Phuong and Gia Lam districts sold thousands of tons of corn to the state. Large-scale corn production has opened up--and is opening up--new avenues for the suburban agricultural areas, centering not only on a rapid increase in grain, but also on economic association, joint production, self-supply of provisions within each basic installation and district, and on a more comprehensive and harmonious investment in corn areas. To obtain more corn, while expanding and perfecting the product-contracting system, the city has initiated many production incentives, such as purchasing corn from peasants at agreed upon prices, furnishing advance supplies, expanding the formula of bartering corn for essential consumer goods, and rationally settling transportation expenses for peasants. Nearly all districts have set up high-yielding corn areas, strengthened economic association between cooperatives and scientific, service and technical organs, and signed two-way economic contracts with peasants. Revamping of the management structure has had a clear impact on basic installations and growers, not only raising crop yield but also creating an ever-increasing volume of goods. This is a dynamic and widespread activity which can be seen throughout the suburban corn areas.

Due to in-depth investment, corn yield has shot up, from 11-12 quintals per hectare to 14 quintals (1982), 17 quintals (1983), and 20 quintals (1984), thus bringing the upward pace of corn productivity from 0.4 to 0.5 percent (between 1960 and 1981) to 16 percent (between 1982 and 1984) per year.

Thousands of hectares of corn have reached 30 quintals per hectare in Phuc Tho District, 25 quintals in Dan Phuong District, and 23 quintals in Gia Lam District. Throughout the cooperatives, the movement toward intensive corn farming and expansion of high-yield corn areas has developed with vigor.

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HEALTH, EDUCATION AND WELFARE

HA SON BINH OPENS MORE SCHOOLS FOR MUONG ETHNICS

Hanoi NHAN DAN in Vietnamese 5 Apr 85 p 3

[Article: "Schools for Muong Ethnic Minority"]

[Text] Before the August Revolution, only a very few people from the Muong nationality were literate. In 40 years of creative implementation of the Vietnamese Communist Party's correct policy toward nationalities, Ha Son Binh Province has set up a school system primarily reserved for ethnic minority children, most of whom are Muong. This is a very indispensable initiative designed to produce ethnic minority cadres.

Currently, in the former Hoa Binh Province, there are basic general schools in all villages and middle general schools in all districts. Lac Son District has two middle general schools. As of 1979, there were more than 700 Muong students graduating from colleges and higher schools, including 2 MA's. During the 1975-1976 academic year, Ha Son Binh Province established an additional university department specializing in agriculture and forestry, with many Muong students attending. In more than 10 years, the provincial work-study school has trained over 3,000 ethnic minority students. Graduates from the school have been sent to localities to work and hold key positions in villages and cooperatives. Ngo Luong, in Tan Lac District, was a model village in the mountainous region in training ethnic minority cadres, and gradually raising the cultural and technical standards of various nationalities. In 1983, Ngo Luong Village carried out an education program that enables all its people to complete basic general school and village and cooperative cadres to complete middle general school.

By opening numerous schools and supplementary education classes, Yen Thuy District has raised literacy standards, enabling school-age people to complete the fourth grade, cadres in the district to complete basic general school, and 90 percent of key cadres in sections and sectors of the district party committee and people's committee to complete middle general school. Access to a higher cultural standards offered the Muong nationality a key to acquiring science, technology and a new cultural life. At present, Muong areas in Ha Son Binh Province have many stations and farms specializing in research and dissemination of new rice varieties, artificial insemination for buffaloes and cattle, hog crossbreeding, and prevention and treatment of diseases for domestic animals and poultry...Muong cadres are working in all

centers designed to propagate scientific and technical knowledge to the people. There is an ever-increasing number of cadres and technical workers from the Muong and other fraternal ethnic minorities at mechanical plow and tractor stations and mechanical shops throughout the province. In the past, Muong patients relied on worship and witchcraft for treatment, at present the public health network has been extended to villages. Many districts have a general hospital while an average of 250 people are served by a village public health station. It is the Muong themselves who brought science into their traditional medicine with a view to raising curability with ethnic drugs. An unceasing increase in cultural standards has also allowed the Muong nationality to really become masters of highland villages and of the nation. In party and administration committees at all levels, Muong representatives are working together with representatives from other fraternal nationalities to build socialism and firmly defend the Vietnamese socialist fatherland.

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HEALTH, EDUCATION AND WELFARE

TRAINING OF ETHNIC MINORITY CADRES SPEEDED UP

Hanoi NHAN DAN in Vietnamese 5 Apr 85 p 3

[Article by Ngoc The: "Elementary and Advanced Training for Ethnic Minority Cadres"]

[Text] Paying attention to elementary and advanced training for ethnic minority cadres is an undertaking that achieves the equality and solidarity of various nationalities, a condition for economic and social development, security protection and national defense in the mountainous region to move forward with vigor and firmness. Throughout many revolutionary periods, our party has trained an ever-expanding and gradually mature body of ethnic minority cadres. In former revolutionary and resistance bases, ethnic minority cadres, workers and personnel are rather in great numbers, even exceeding 80 percent in Cao Bang Province. On the Central Highlands, 10 years after the liberation, the ranks of cadres, workers and civil servants from Ede, Giarai, Mnong, Sedan and Bana nationalities have increased more than twofold. In 6 border provinces to the north, ethnic minority cadres holding leadership, economic and social management positions account for a large percentage--from 37 to 56 percent, even 70 percent in some areas. Throughout the north, ethnic minority cadres account for 50 percent in provincial people's committees, and 70 percent at the district level. Our party has also provided undergraduate and graduate training of nearly 10,000 ethnic minority students. A large number of technical and vocational cadres graduating from vocational middle schools originate from ethnic minorities. In the past 40 years, nearly all these cadres have been loyal to party and state policies, and to the people--a fact that exerts a happy impact on strengthening party and administration basic installations, and on building mass organizations in montagnard villages. For the most part, however, the growth of ethnic minority cadres is uneven and inadequate in all nationalities and regions, and still unable to measure up to the task of building and defending the fatherland.

A resolution of the Fifth Party Congress stressed that "each echelon and sector must carry out the party policy on nationalities within its responsibilities and capabilities, diligently providing proper elementary and advanced training to leading, managerial, and scientific and technical cadres from ethnic minorities, primarily at district and grassroots levels." Currently, ethnic minority cadres at district and grassroots level are not uniformly

competent, economic and social management has not reached high efficiency. To correct that situation, in the past few years many provinces have paid attention to leading and guiding district and village party organizations to strive to recruit ethnic minority cadres according to plans.

In carrying out the planning process, the Sa Thay District party committee (Giarai-Kontum Province) aimed at two directions:

--Selecting cadres to replace, in the next few years, those nearing retirement age, as well as those considered incapable, backward, or denatured;

--Selecting capable and virtuous elements from the ranks of ethnic minority youths, even children, and providing them with elementary and advanced training, thus creating a reserve for use in many years to come.

The district party committee has assigned cadres to work with emulation movements to engage in productive labor, work and study, to foster initiatives for production rationalization and technological improvement in hamlets, villages, production and business installations within the district. These contacts enabled the district party committee to recruit those meeting capability and morality standards for inclusion in short- and long-term planning. To enrich the planning process, the district party committee has also sent cadres into lowland districts to inquire about the competences, qualities and living conditions of those who spent long tours of duty in the mountainous region. And while carrying out the planning process, the district party committee has adopted plans and measures to provide adequate elementary and advanced training to various categories of ethnic minority cadres.

The first category included those who served meritoriously during the resistance wars against Americans for national salvation, and against Chinese invading troops, but were weak culturally and politically. They were sent to provincial and district supplementary education schools and to village on-the-job supplementary education classes.

The second category encompassed those having a high cultural level but a low political one. They were sent to political training according to the three following formulas: enrollment as full-time political students in schools, or in intensive courses lasting many days; enrollment in on-the-job courses conducted by the province; or enrollment in intervillage and interhamlet courses opened by the district party committee to provide elementary political knowledge to all cadres and party members at the grassroots level.

The third category included those cadres who had high cultural and political level but still lacked job experience. They were ordered to promptly take part in emulation movements for productive labor at basic installations, undergo practical training in villages and hamlets, or work as cadres at the grassroots level to acquaint themselves with hardships and challenges. Because of good performances on providing elementary and advanced training to the ranks of ethnic minority cadres, Sa Thay District was in a position to promote 41 persons to positions as chiefs and deputy chiefs of district and village sections and sectors, and to reinforce various sections and

sectors with 218 cadres. Many young ethnic minority cadres have carried out their tasks with efficiency.

In addition to providing elementary and advanced training to the ranks of cadres through practical work, schools and courses, many districts in the six border provinces to the north, taking their own advantages and difficulties into account, have coordinated with the armed forces stationed in their areas to train ethnic minority youths through combat and study while on active service. Many valorous and intelligent youths, after being discharged from the army, were selected for enrollment in scientific, technical and vocational schools, or for participation in practical training working as cadres with district and village sections and sectors.

Experiences drawn from recruitment planning and training of cadres in these districts show that we do not lack the capability of providing the mountainous region with cadres. Better still, we can do even more.

Coming into existence and growing amid an atmosphere of slow economic and social development in the mountainous region, and the still fettering clout of family ties and backward customs, minority youths, especially women, are very reluctant to be away from their homes and native places. In light of that reality, it is very appropriate to train ethnic minority cadres by sending them into localities to work and acquire experience, and by simultaneously opening schools and classes right where they live, or in the vicinity. In addition, party and state organs should diligently provide appropriate advanced training and financial compensation to the ranks of cultural and technical cadres in the mountainous region; and expand and raise the quality and efficiency of boarding schools and classes devoted to cadre formation, such as the central boarding school for ethnic minority children, the work-study schools for ethnic minority youths on the northern border highlands and central highlands, the school preparing for colleges and advanced institutions, the vocational middle schools and trade schools in provinces and zones. The degree of assimilation of newness and living conditions vary from one ethnic minority area to another. Therefore, the effort to improve study programs, and provide cultural, political and vocational training, as well as the policies and procedures aimed at encouraging ethnics to go to school should fit in with the mental backgrounds and local conditions of each target and area.

Training should go hand in hand with rational utilization. Currently, in districts and villages there are many categories of cadres: locally born ethnics, lowland-born cadres having spent long tours of duty in the mountainous region, and military personnel transferred by the army, or from lowland provinces to strengthen local administrations... In utilizing and renumerating these cadres, it is first of all imperative to comply with the party policy toward nationalities, to ensure solidarity and nondiscrimination while not "flattening all differences," and to take steps to assign positions in a rational manner, and to attentively care for the cadres' livelihood, following a thorough investigation into each individual's mental and material backgrounds.

Solving correctly the nationalities problem, including an appropriate policy of providing elementary and advanced training to ethnic minority cadres, is one of many strategic tasks of the Vietnamese revolution. This requires party committee echelons and administration officials, as well as concerned organs and sectors, to work hand in hand with provinces and districts in the mountainous region to carry out properly recruitment planning and training of ethnic minority cadres, creating conditions for rapidly strengthening the economic and defense potential of the mountainous region.

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POPULATION, CUSTOMS AND CULTURE

HO CHI MINH CITY STRICTLY CONTROLS CULTURAL LIFE

Hanoi NHAN DAN in Vietnamese 20 Apr 85 p 3

[Article by Luu Xuan Ly: "Constructing a Cultural Life in Ho Chi Minh City"]

[Text] The task of constructing a socialist new cultural life in Ho Chi Minh City is truly an important part of the ideological and cultural revolution, a process of sharp and continuous struggle to assert the new, to create a way of life beautiful in nature, to assist in smashing every stratagem and sabotage of the enemy, and to resolutely eliminate every influence of reactionary and decadent culture as presented to the city by Resolution 01 of the Political Bureau.

During the past 10 years, although occasional improperly oriented movements "unwound" and occasional "Saigon people's forums" had to raise their voices in criticism, these things in themselves increasingly indicated the complex, rich and vital nature of a large city following liberation. Arriving in Ho Chi Minh City today, from the central areas of the 1st, 5th and 10th precincts to the suburban districts such as Tan Binh, Thu Duc, Cu Chi, Duyen Hai, etc., we can at any time witness and participate in activities at cultural buildings, clubs, theaters, movie houses and cultural focal points. Major anniversaries, holidays, traditional national festivals and cultural and art activities are all organized, guided and supervised with the purpose of attracting and creating conditions for the masses to participate in wholesome and beneficial activities while restricting negative occurrences to an appreciable extent.

An outstanding feature during the past few years has been the city's constant strengthening of state level management of cultural activities, sensitivity to the political missions, stabilization of order in art activities and good construction of the cultural life at the ward level. The Municipal Party Committee, Municipal People's Committee and other responsible agencies have issued many documents of a legal nature to supervise and correct movements. Because of both strengthened management and mass guidance with an understanding of how to develop the strong points, cultural and art work by the city has basically followed the proper direction and continues to maintain the vitality of life. In order to develop a new appearance, the city for many years has invested a fairly large amount of wealth and manpower in dismantling and replacing tens of thousands of ridiculous shop signs and billboards; rearranging the streets, sidewalks and market locations, eliminating thousands of shops and stores, and replacing many outmoded posters on the high rise buildings. The theaters, movie houses and cultural projects are regularly repaired and redecorated to conform with the preferences and disposition of the people. A new life campaign committee, led by the Vice Chairman of the Municipal People's Committee

with the participation of all echelons and sectors, has effectively operated to repel the negative occurrences of society. New life campaign work is closely supervised with organization and construction of cultural life at the primary level, in depth handling of each objective and creation of conditions for the laboring people to practice collective ownership in culture.

Nearly every month and week during the past few years in Ho Chi Minh City, there is spirited and animated activity due to art and information presentations, displays and competitions. These art activities truly create a enthusiastic atmosphere among the masses. The presentation of songs on entering labor, songs of the workers, and songs of the rural area, etc. by sectors and organizations and performed from the primary level have left behind beautiful echoes such as the demonstrations by art forces of the masses to repel reactionary literature and art. At the present time, the mass arts and letters movement is spreading widely and deeply into the primary level with nearly 2,500 teams and units (three times the 1976 level).

Making an important contribution to construction of a new culture is the system of cultural buildings and clubs. This is a position of strength and also an activity of much creativity which has been established and is rapidly developing in Ho Chi Minh City. From 39 primary level units in 1976, the city now has 290 active cultural buildings and clubs attracting the participation of tens of millions of people. Each citizen of the city now visits a cultural building an average of seven to eight times a year. In the cultural buildings, activity organization becomes increasingly rich, absorbing and effective, especially the art and science clubs, fitness classes, classes teaching fine art handicrafts, etc. A number of cultural buildings have also risen to provide social jobs, stabilizing the lives of the unemployed. Activities by many of the cultural buildings have become models of universal value to the entire nation. Examples are the cultural buildings and clubs in Ward 3 of the 1st Precinct, Ward 11 in Tan Binh District and Ward 26 of Binh Thanh District, the cultural buildings of Thu Duc, Phu Nhuan, the 1st and 5th precincts, the Youth Cultural Building, and the Labor Club.

In conjunction with the system of cultural buildings and clubs, the city has also established 18 libraries in 18 precincts and districts and nearly 1,000 reading rooms in the primary level units. The wired radio loudspeaker system has not only been perfected at the precinct and district level but also has extensive networks in 347 wards and villages, delivering essential information to the masses. Forces with an assault role in cultural and information work are the professional mobile information units and the primary level information units which have strongly developed both in their ranks and their quality of activity. By many refreshing and appealing forms, 349 information units from the city to the ward and village level are regularly present at all times and in every location to propagandize and explain the line and policy of the party. Examples in this area of activity are the 4th, 5th and 11th precincts and the districts of Phu Nhuan, Thu Duc, Binh Thanh, Go Vap and Hoc Mon. Many wards, villages, primary level units and schools have self-produced and are widely using projected film slides aimed at promptly reflecting and remaining close to the problems posed in their own primary level unit. It is for this very reason that projected film slides still have a vitality along with the electronic and modern means with many applications in building the cultural life of the masses in Ho Chi Minh City.

Professional art activities passed through initial oscillations to now basically correctly follow the culture and art policies of the party. Management of music, the stage and video cassette recorders is constantly emphasized and has increasingly become a firm regulatory system. Through a number of "off key" occurrences during the years following liberation, the city gained experience in that the organization and management of professional art activities must be closely coordinated with the management and advanced training of artists and performers in a new art viewpoint. Consequently, besides involving the literature and art forces in reality, the city held elementary and advanced training classes for more than 1,000 artists and performers to increase their understanding of Marxist esthetics and the literature and art policy of our party. Actually, the city and state during the years of liberation have assisted the artists in a new range of vision recognizing the honor and responsibility of artists under the new regime. In the music field, the city has initiated the organization of many "focal points" for assembling and projecting artists for performances. The light music "fever" has now been basically overcome and the trend toward preference for extremist foreign music has declined. From the music stage have resounded revolutionary songs. Along with electronic means, traditional music bands occupy an important position even among the groups with extremely young personalities (such as the Bong Sen and Thang Tam groups). In the stage area, the literature and art groups have gradually established their own course while simultaneously giving attention to compositions with a modern theme. Occurrences of "selling out" and unprincipled contact have been promptly corrected.

In order for professional art activities to have more of the refreshing breath of life, the creative and performing artists of Ho Chi Minh City have traveled to the southwestern and northern borders and to key construction projects such as Tri An, Dau Tieng, An Ha, Dac Nong, etc. These trips have all had a strong effect on the artists, especially those who are young and those who lived many years under the old regime.

Along with organizing, building and managing the movement, the city has been forced to use many means to halt and repel the decadent and reactionary culture infiltrating from many directions. During 1984 alone, the Culture and Information Service coordinated with other responsible agencies to detain 245 antiques and confiscate more than 6,000 cultural items of an unsavory nature passing through the port. Regulations on the use of video tape players have been fairly closely obeyed although the city constantly leads in the number of machines.

Ho Chi Minh City now leads the nation in the average number of cultural and art enjoyments for the masses. Compared with 1979, the number of cultural enjoyments for the masses during 1984 was 8 to 17.8 times greater in films watched; 2.2 to 3.4 times greater in art observed; 4 to 9.1 times greater in mass literature and arts observation, etc. These figures also partially indicate that Ho Chi Minh City by continuous effort during the past 10 years has qualified as a leading banner unit in cultural, literature and art work at the present time.